

REPLACEMENT, CANADA . SINCOR HEAVY OIL DEVELOPMENT, VENEZUELA . CHAMERA II HYDROELECTRIC PROJECT, INDIA . DIAVIK DIAMOND
 COASTAL DEFENCE VESSELS PROGRAM, CANADA . DSM BIOLOGICS MANUFACTURING FACILITY, CANADA . HIGHWAY 407 ELECTRONIC TOLL ROAD,
 CANADA . ANKARA METRO, TURKEY . ALTONORTE COPPER SMELTER UPGRADE AND MODERNIZATION PROJECT, CHILE . ALUSAF HILLSIDE ALUMINUM SMELTER, SOUTH
 AFRICA . JAMES BAY HYDROELECTRIC PROJECT, CANADA . DRUMMOND COURT TUNNEL, CANADA . MOZAL ALUMINUM SMELTER, MOZAMBIQUE . HUNDAHARA
 SMELTING ZINC FACILITY MODERNIZATION, CANADA . VANCOUVER SKYTRAIN SYSTEM, CANADA . MIDAS GOLD PROJECT, USA . TONTAR PAPER MACHINE NO. 7 IMPROVEMENT,
 CANADA . HIBERNIA OFFSHORE OIL PLATFORM, CANADA . TGV RAPID TRAIN SYSTEM, BELGIUM . MARATHON ASHLAND REFINERY, CANADA . SKOLSTON ZINC MINE AND
 REFINERY, NAMIBIA . ALMA ALUMINUM SMELTER, CANADA . TAMBAK LOROK COMBINED CYCLE PLANT, INDONESIA . OMUSHKGO ISHKOTAYO TRANSMISSION LINE PROJECT,
 CANADA . KUMTOR GOLD PROJECT, KYRGYZSTAN . NORTH ATLANTIC REFINERY UPGRADES AND HYDROGEN PLANT, CANADA . ELDORET INTERNATIONAL AIRPORT, KENYA
 CANADA POST CORPORATION COMMUNITY MAILBOX PROGRAM, CANADA . ALMA OFFSHORE PLATFORM, CANADA . QINSHAN NUCLEAR REACTORS, CHINA . EL CAJÓN
 HYDROELECTRIC PLANT, HONDURAS . TAIWAN POWER DISTRIBUTION NETWORKS, TAIWAN . GRAND-MÈRE DAM, CANADA . HERSHEY CHOCOLATE FACTORY, CANADA
 MONTREAL METRO EXTENSION, CANADA . MAGNOLA MAGNESIUM PLANT, CANADA . NORTH SULAWESI WATER RESOURCE DEVELOPMENT PROJECT, INDONESIA . INTERQUISA
 PURIFIED TERAPHTHALIC ACID PLANT, CANADA . LANTIC SUGAR EXPANSION PROJECT, CANADA . VLISSINGEN ALUMINUM SMELTER EXPANSION, NETHERLANDS . IMPERIAL
 OIL CENTRAL CANADA SUPPLY PROJECT, CANADA . VANCOUVER AIRPORT AND AIRPORT CONNECTOR, CANADA . AIR ALGERIA MAINTENANCE HANGAR, ALGERIA . CEZ
 VALLEYFIELD ZINC PLANT, CANADA . SUNOIL AROMATICS PLANT, CANADA . IDUKKI DAM AND POWER STATION, INDIA . ROAD REHABILITATION/RECONSTRUCTION PROJECT,
 PANAMA . ASTRAKAHN SOUR GAS FIELDS GATHERING SYSTEM, RUSSIA . MIRABEL INTERNATIONAL AIRPORT, CANADA . SEPT-ÎLES IRON ORE EXPANSION PROJECT, CANADA
 ST. JOHN'S HARBOUR ARTERIAL CN VIADUCT, CANADA . SERVAIR AIR CATERING FACILITY, FRANCE . TOMAGO ALUMINUM SMELTER, AUSTRALIA . SANCTUARY OF THE
 MARTYRS, ALGERIA . XIAOLANGDI MULTIPURPOSE DAM PROJECT, CHINA . TRANSMISSION SYSTEM UPGRADE, EL SALVADOR . FUZHOU WATER SUPPLY AND WASTEWATER
 PROJECT, CHINA . XIENG KHOUANG ROAD IMPROVEMENT PROJECT, LAOS . PASCUA-LAMA GOLD PROJECT, PERU . COTONOU AND PORTO NOVO SANITARY DRAINAGE STUDY,
 BENIN . P & C HEIDSIECK CHAMPAGNE PRODUCTION FACILITY, FRANCE . KUTTIYADI POWER STATION, INDIA . TIOXIDE TITANIUM DIOXIDE PIGMENT AND RECYCLE PLANTS,
 CANADA . NORTHEAST REGIONAL WATER MANAGEMENT PROJECT, BANGLADESH . MCCLEAN LAKE URANIUM PROJECT, CANADA . PAN-CANADIAN CHRISTINA LAKE SAGD,
 CANADA . SYNCRUDE HYDROTREATERS AND H₂ PLANTS, CANADA . HEC BUSINESS SCHOOL, MONTREAL, CANADA . JONQUIÈRE SUPERWHITE ALUMINA TRIHYDRATE PLANT,
 CANADA . NATIONAL HIGHWAY UPGRADES, INDIA . PORFIBEL NON-METALLIC MINERALS PROJECT, BELGIUM . SUNCOR MILLENIUM PROJECT, CANADA . TRANSCANADA
 MIDSTREAM PROJECT, CANADA . SASKFERCO AMMONIA-UREA FERTILIZER COMPLEX, CANADA . SAR CHESHMAH COPPER HEAP LEACH PLANT, IRAN . HEMOSOL
 BIOPHARMACEUTICAL FACILITY, CANADA . PROCTER & GAMBLE PLANT EXPANSION, CANADA . CANADA POST MAIL SORTING PLANT AND FACILITIES MANAGEMENT, CANADA
 ASTRA PHARMA MANUFACTURING AND WAREHOUSE FACILITY, CANADA . BOSTON EDISON COMPANY ENERGY CONTROL SYSTEM, USA . HALIFAX NEPTUNE THEATRE
 RENOVATION, CANADA . TENGUIZ OIL AND GAS FIELD, KAZAKHSTAN . SOESDYKE-LINDEN HIGHWAY PROJECT, GUYANA . CANADIAN SPACE AGENCY, CANADA . BARO RAYA
 IRRIGATION PROJECT, INDONESIA . PETROQUIMICAL SULPHUR BURNING PLANT MODIFICATION, VENEZUELA . CAYOR CANAL ENVIRONMENTAL STUDY, SENEGAL . DULONG-HUET
 WINE FACILITY, FRANCE . AJINOMOTO EUROLYSINE PROJECT, FRANCE . MONTREAL INTERNATIONAL AIRPORT TERMINAL EXPANSION, CANADA . GRANDS MOULINS DE PARIS
 FLOUR MILL, FRANCE . CANADA-FRANCE-HAWAII TELESCOPE, USA . GREAT MAN-MADE RIVER PROJECT, LIBYA . HIGH RIVER MAGNESIUM FACILITY, CANADA . TRANSMISSION
 AND DISTRIBUTION NETWORK EXPANSION, IVORY COAST . CHELIFF BASIN WATER AND LAND DEVELOPMENT PROJECT, ALGERIA . TROILUS GOLD MINE AND CONCENTRATOR,
 CANADA . SUNOCO HYDROCRACKER COMPLEX, CANADA . BAGFAS PHOSPHORIC ACID PLANT MODERNIZATION, TURKEY . PEACE SITE C HYDROELECTRIC PROJECT, CANADA
 QUEEN ELIZABETH THERMAL STATION REPOWERING, CANADA . SYNCRUDE CAPACITY EXPANSION PROJECTS, CANADA . UNIVERSITY OF MONTREAL HOSPITAL CENTRE,
 CANADA . LAFARGE ALUMINOUS CEMENT PLANT, CHINA . FORECARIAR RURAL DEVELOPMENT PROJECT, GUINEA . WATER SUPPLY SYSTEM REHABILITATION, GUYANA

SHAPING WORLDS

SNC-LAVALIN 2001 ANNUAL REPORT

NATIONAL WATER REHABILITATION PROJECT, NIGERIA . MONTREAL JUVENILE COURTHOUSE EXPANSION AND RENOVATION, CANADA . SHELL CANADA CRUDE UNIT AND
 MEROX PROJECT, CANADA . LA CARIDAD COPPER SMELTER EXPANSION, MEXICO . KUALA LUMPUR RAPID TRANSIT SYSTEM, MALAYSIA . LUKOIL VOLGOGRAD OIL
 REFINERY MODERNIZATION, RUSSIA . CHUTE-À-CARON DAM AND POWER STATION, CANADA . LEYTE-LUZON POWER LINE, PHILIPPINES . DAULE VALLEY IRRIGATION AND
 DRAINAGE SYSTEM, ECUADOR . NORTHWEST TERRITORIES HIGHWAY 3 PROJECTS, CANADA . XIAOLANGDI FLOOD CONTROL AND HYDROELECTRIC PROJECT, CHINA
 PPG CHLORO-ALKALI PLANT, CANADA . ALBERTA OIL SANDS PIPELINE, CANADA . CASSIAR CONNECTOR PROJECT, CANADA . E.B. EDDY FOREST PRODUCTS PAPER MACHINE NO.14,
 CANADA . SAINT-JÉRÔME HÔTEL-DIEU HOSPITAL EXPANSION, CANADA . ARMENIAN GOLD PROJECT, ARMENIA . ENBRIDGE PIPELINE CAPACITY EXPANSION PROJECT,
 CANADA . RIVER NILE PROTECTION AND DEVELOPMENT PROJECT, EGYPT . OMAI GOLD PROJECT, GUYANA . MARACAIBO SEWAGE TREATMENT PROGRAM, VENEZUELA
 BOURGUIBA DAM, TUNISIA . MONTREAL MUSEUM OF CONTEMPORARY ARTS, CANADA . SEVEN CITIES PROJECT, INDONESIA . SYNCRUDE OIL SANDS UPGRADE EXPANSION,
 CANADA . AÏN-EL-BEY INTERNATIONAL AIRPORT EXPANSION, ALGERIA . MILPO MINE DEVELOPMENT PROJECT, PERU . FLEMISH PARLIAMENT RENOVATION, BELGIUM
 MCCAIN FROZEN FRENCH FRY PLANT, FRANCE . TRUJILLO STATE RURAL DEVELOPMENT PROGRAM, VENEZUELA . DRUMMONDVILLE WASTEWATER TREATMENT PLANT, CANADA
 SHELL CAROLINE SULPHUR HANDLING FACILITIES, CANADA . KOMPIEGA DAM, BURKINA FASO . HYDRO QUEBEC TRANSMISSION LINES UNDERWATER CROSSING OF THE
 ST. LAWRENCE RIVER, CANADA . AJMAN HOSPITAL, UNITED ARAB EMIRATES . LATERRIÈRE ALUMINUM SMELTER, CANADA . HIGH FALLS, NEW YORK HYDROELECTRIC PROJECT, USA
 CHAMPLAIN BRIDGE, MONTREAL, CANADA . CINKUR ZINC LEAD COMPLEX, TURKEY . PLACE BONAVENTURE, MONTREAL, CANADA . ETI HOLDING SULPHURIC ACID PLANT, TURKEY
 GALDERMA CREAMS AND OINTMENTS FACILITY, CANADA . VILLE-MARIE EXPRESSWAY, MONTREAL, CANADA . SHELL REFINERY FLUID CATALYTIC CRACKER, CANADA . MONTREAL URBAN
 COMMUNITY PUMPING STATION, CANADA . POINTE-À-PIERRE OIL REFINERY IMPROVEMENTS, TRINIDAD AND TOBAGO . SIDI SAAD DAM, TUNISIA . WHITBY COGENERATION
 POWER PROJECT, CANADA . TINTAYA COPPER CONCENTRATOR, PERU . MINISTER OF FINANCE HEADQUARTERS, ALGERIA . JOHN HART BRIDGE, CANADA . COJEDÉS STATE
 RURAL DEVELOPMENT PROGRAM, VENEZUELA . SENEGAL ROADS PROJECT, SENEGAL . MANIC 5 DAM AND POWER STATION, CANADA . ALOUETTE ALUMINUM SMELTER,
 CANADA . ALCAN RED MUD DISPOSAL SYSTEM, JAMAICA . LA MERCY INTERNATIONAL AIRPORT, SOUTH AFRICA . MOULÉES LAURENTIEN FEED MILL, CANADA . CHAMERA I
 HYDROELECTRIC PROJECT, INDIA . NIRMA LINEAR ALKYL BENZENE PLANT, INDIA . PETRO-CANADA LOW-SULPHUR GASOLINE PROJECTS, CANADA . OUED BARBARA
 HYDROELECTRIC DEVELOPMENT, TUNISIA . INCO METALLURGICAL GAS PLANT, CANADA . JORDAN PHOSPHORIC ACID PLANT REHABILITATION, JORDAN . VEGETABLE
 OIL REFINERY AND BOTTLING PLANT, GERMANY . ST. LAWRENCE SEAWAY ESTACADE BRIDGE, CANADA . DÉPARTEMENT OF NATIONAL DEFENCE RADAR FACILITIES, CANADA
 BELL CANADA REAL ESTATE MANAGEMENT SERVICES, CANADA . MEIKLE GOLD MINE PROJECT, USA . CANADIAN PACIFIC FOREST PRODUCTS NEWSPRINT MILL, CANADA
 TANJUNG JATI THERMAL POWER PLANT, INDONESIA . LAURALCO ALUMINUM SMELTER, CANADA . RIVERHURST IRRIGATION PROJECT, CANADA . CHAGRES SULPHURIC ACID
 PLANT, CHILE . DAI NINH HYDRO POWER PROJECT, VIETNAM . VIENTIANE URBAN DEVELOPMENT PROJECT, LAOS . MDS NORDION RADIOPHARMACEUTICAL MANUFACTURING
 FACILITY, CANADA . PANJIN STYRENE MONOMER AND POLYSTYRENE PROJECTS, CHINA . POWER DISTRIBUTION MANAGEMENT SYSTEM, THAILAND . SKYWAY POLLUTION
 CONTROL CENTRE, CANADA . CANADIAN NAVY FIRE DETECTION AND SUPPRESSION SYSTEMS, CANADA . HUSKY OIL UPGRADE PLANT, CANADA . ST. LAURENT CEMENT
 PLANT, CANADA . QUEBEC IRON AND TITANIUM SMELTER, CANADA . MAXIMO DEEP FROZEN FOODS DISTRIBUTION PLATFORM, FRANCE . PHOSPHORIC ACID PLANT, MOROCCO
 PIERINA GOLD MINE, PERU . DAVID & FRÈRES BISCUIT FACTORY, CANADA . ALCAN-BILLITON CALCINED BAUXITE PLANT, SURINAM . CONCEPTION BAY WATER AND SEWER
 MUNICIPAL INFRASTRUCTURE, CANADA . MERCIER BRIDGE, MONTREAL, CANADA . AGRO-INDUSTRIAL COMPLEX MODERNIZATION, ROMANIA . GUAYAPE VALLEY RURAL
 DEVELOPMENT PROJECT, HONDURAS . WRECK COVE HYDROELECTRIC PROJECT, CANADA . GRANDE-BAIE ALUMINUM SMELTER, CANADA . KRONOS TITANIUM DIOXIDE
 PIGMENT PLANT, CANADA . B.C. TRANS-CANADA HIGHWAY PROGRAM, CANADA . MONTREAL WORLD TRADE CENTRE, CANADA . 5 DE NOVEMBRE POWER STATION
 REHABILITATION, EL SALVADOR . INTEGRATED SOIL AND WATER IMPROVEMENT PROJECT, EGYPT . MOËT & CHANDON FERMENTING CELLAR, FRANCE . KUALA LUMPUR
 MONORAIL SYSTEM, MALAYSIA . SPOON ENERGY CONTROL SYSTEM, FINLAND . SAINT-ALBAN MINI-HYDRO PROJECT, CANADA . ATWATER TUNNEL, CANADA . DENISON MINES

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OUR BUSINESS IS

founded on the strength of our world-class technical expertise. The ability to pool our wealth of knowledge and provide comprehensive solutions to our clients has made us one of the world's leading engineering and construction firms and a key player in the ownership and management of infrastructure.

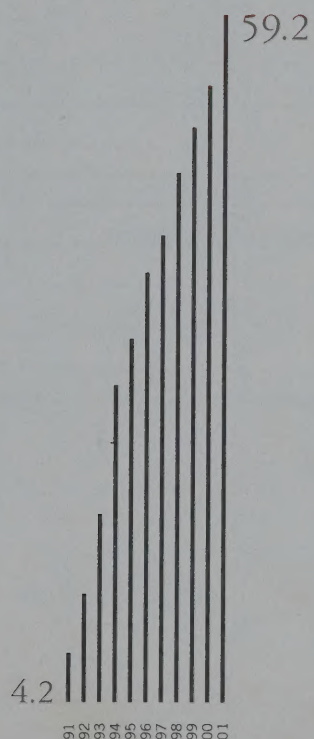
We have almost 10,000 employees worldwide, representing 80 nationalities and speaking 150 languages.

We are currently working in some 100 countries on activities ranging from engineering services to long-term concession agreements. Our stringent environmental and safety standards reflect our long-term commitment to the communities and countries in which we operate.

NET INCOME EXCLUDING HIGHWAY 407
(IN MILLIONS OF DOLLARS)

4.2 TO 59.2
IN TEN YEARS

IN GREAT SHAPE



FINANCIAL HIGHLIGHTS

(IN THOUSANDS, EXCEPT PER-SHARE AMOUNTS)

2001

2000

SUMMARY OF RESULTS FOR YEARS ENDED DECEMBER 31

REVENUES

SERVICES	\$ 583,168	\$ 544,869
PACKAGES	863,243	523,647
CONCESSIONS	880,419	671,890
	\$ 2,326,830	\$ 1,740,406

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

EXCLUDING HIGHWAY 407	\$ 144,113	\$ 120,316
FROM HIGHWAY 407	45,410	31,112
	\$ 189,523	\$ 151,428

NET INCOME (LOSS)

EXCLUDING HIGHWAY 407	\$ 59,194	\$ 53,068
FROM HIGHWAY 407	(32,748)	(29,203)
	\$ 26,446	\$ 23,865

BASIC EARNINGS PER SHARE

EXCLUDING HIGHWAY 407	\$ 1.24	\$ 1.14
FROM HIGHWAY 407	(0.69)	(0.63)
	\$ 0.55	\$ 0.51

RETURN ON WEIGHTED AVERAGE SHAREHOLDERS' EQUITY

EXCLUDING HIGHWAY 407	14.8 %	14.9 %
FROM HIGHWAY 407	(8.2)%	(8.2)%
	6.6 %	6.7 %

WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES - BASIC

	47,914	46,350
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FINANCIAL POSITION AT DECEMBER 31

SHAREHOLDERS' EQUITY	\$ 442,964	\$ 358,155
BOOK VALUE PER SHARE	\$ 8.89	\$ 7.80

ACTUAL NUMBER OF OUTSTANDING COMMON SHARES AT YEAR-END

	49,813	45,924
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BACKLOG AT DECEMBER 31

SERVICES	\$ 389,700	\$ 370,000
PACKAGES	885,000	1,163,900
CONCESSIONS	2,222,300	2,440,200
	\$ 3,497,000	\$ 3,974,100

OUR FIGURES

FINANCIAL HIGHLIGHTS

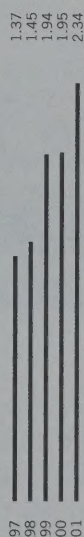
RETURN ON WEIGHTED AVERAGE SHAREHOLDERS' EQUITY (IN %)



EARNINGS PER SHARE (IN \$)



CASH FLOW PER SHARE (IN \$)



DIVIDENDS DECLARED PER SHARE (IN \$)



EXCLUDING HIGHWAY 407

SPEAK FOR THEMSELVES

MILESTONES

21%

INFRASTRUCTURE

New Awards

- Great Man-Made River Project pipeline restoration, Libya
- Chiffa River water conveyance tunnel, Algeria
- Bell Mobility wireless PCS network, Canada
- Montreal subway extension, Canada
- Canadian Embassy construction, Port-au-Prince, Haiti
- Master plan for the Centre hospitalier de l'Université de Montréal, Canada

Acquisition

- Pacific Liaison, British Columbia, Canada

Ongoing Projects

- Chilled water plants, United Arab Emirates
- Kuala Lumpur Monorail System, Malaysia
- Jacques-Cartier Bridge deck replacement, Quebec, Canada

Major Completed Project

- East partial and West Extensions to Highway 407, Ontario, Canada

18%

CHEMICALS AND PETROLEUM

New Awards

- Alma Offshore Platform, Nova Scotia, Canada
- Control system modernization projects, Saudi Arabia
- Sulphuric acid plant, Turkey
- TransCanada Pipeline partnership agreement, Canada
- Management of Ammonia/Urea fertilizer complex, Vietnam
- Crude unit and off-sites for Marathon Ashland Refinery and sulphur plant in Catlettsburg, Kentucky, United States
- EP phase of the Syncrude oil sands crude production facility project, Alberta, Canada

Acquisition

- Titan Projects Ltd., Alberta, Canada

Ongoing Projects

- Purified terephthalic acid facility for Interquisa, Quebec, Canada
- Gasoline sulphur reduction projects for Petro-Canada, Alberta and Quebec, Canada
- Expansion of a fertilizer complex for Indian Ocean Fertilizer (IOF), South Africa
- Pump stations and related facilities for pipeline projects, Alberta, Canada and Ecuador
- Multi-year services agreements with Marathon Ashland, Bayer Rubber, IGI, Cabot Carbon, Dow Chemical and Imperial Oil



13%

POWER

New Awards

- Southeastern Europe Electrical System Technical Support (SEETEC) Project, involving nine Balkan countries
- Rehabilitation of Cameron Highlands & Batang Padang Hydroelectric Schemes, Malaysia
- Energy Control Systems (ECS) maintenance contract, Reykjavik Energy, Iceland
- Upgrade air locks for Pickering "B" Nuclear Plant, Ontario, Canada

Ongoing Projects

- Chamera II hydro power plant construction and rehabilitation of three hydro plants, India
- Construction of two Candu-6 nuclear power plants, China

- Distribution Management System for electrical distribution networks in five areas of Thailand
- 270-km Omushkego Ishkotayo power transmission line, northern Ontario, Canada

New Development

- SNC-Lavalin Energy led consortium forming new transmission firm, AltaLink, to acquire TransAlta's transmission business

Major Completed Project

- Built and commissioned Windsor cogeneration plant, Quebec, Canada

6%

MINING AND METALLURGY

New Awards

- Mejilones copper smelter feasibility study for Codelco, Chile
- Expansion of Mozal and Hillside aluminum smelters, Mozambique and South Africa
- Modernize and increase capacity of aluminum smelter for Pechiney Netherlands Ltd., Netherlands
- Two open pit gold mines, a process plant, a tailings management facility and associated infrastructure for Rosia Montana Gold Corporation, Romania

Ongoing Projects

- Diavik diamond project for RTZ and Aber Resources, Northwest Territories, Canada
- Skorpion zinc mine and refinery for Anglo American, Namibia
- Upgrade and modernization of Noranda's Altonorte copper smelter, Chile

Major Completed Projects

- Engineering and design of Alcan's Alma aluminum smelter, Quebec, Canada
- Smelter expansion for Hudson Bay Mining and Smelting Company, Manitoba, Canada
- Bulyanhulu Gold Project for Barrick Gold Corporation, Tanzania

DISTRIBUTED LEADERSHIP

MILESTONES

25%

FACILITIES AND OPERATIONS MANAGEMENT

New Developments

- New contracts with Northern Telephone, Telebec, H&R REIT, Microcell, and Bell Actimedia, Canada
- Web-enabled Customer Support Centre, Ontario, Canada
- Growth strategy is to move into other service sectors via acquisitions and alliances
- Upgraded Nexacor's Call Centre's ISO certification from 9002:1994 to 9001:2000
- ProFac's upgrade to ISO 9001:2000 certification pending
- Development and implementation of improved Best Practices standards

Ongoing Projects

- Facility management services for Canada Post Corporation, Air Canada, Ontario Realty Corporation, Canadian Broadcasting Corporation (CBC), Bell Canada, Rosdev, TrizecHahn, SITQ Immobilier, and the National Gallery of Canada
- Installation, maintenance, and repair of community mailboxes for Canada Post Corporation
- In-service support operations for Department of National Defence on the Maritime Coastal Defence Vessels (MCDVs)

9%

DEFENCE

New Developments

- Purchased certain assets of EXPRO Chemical Products Inc., Quebec, Canada
- Consulting contract with the Canadian Department of National Defence (DND)
- Teaming agreements for US 120 mm High Explosive Insensitive Munitions Mortar Program, United States, France, and Canada

Ongoing Mandates

- Supply of SIMUNITION® line of products to European and US military and law enforcement agencies
- 5.56 mm short-range training ammunition – US Army
- Supply of large calibre brass cartridge cases to two European manufacturers

- Canadian Patrol Frigates (CPF) Damage Control System
- Aegis Class Destroyer DDG Program – US Navy

Major Clients

- Canadian Department of National Defence (DND)
- Army Research Development Engineering Center (ARDEC) – US Army
- US Navy
- US Federal Law Enforcement Agencies (SIMUNITION®)
- French Gendarmerie – Training system (SIMUNITION®)



8%

ADDITIONAL SECTORS

AGRIFOOD

New Development

- Acquisition of Roberts, Sloane & Associates Inc., Manitoba, Canada

Ongoing Projects

- New flour mill and cereal silo, France
- Expansion of existing Arborg feed mill Manitoba, Canada
- New fermentation cellar for Moët & Chandon, France

BIOPHARMACEUTICALS

New Awards

- Extension to theonine production plant for Ajinomoto Eurolysine of Japan, France

Ongoing Projects

- Biopharmaceutical facility for Hemosol, Ontario, Canada
- Merck Frost Canada biomedical research facility, Quebec, Canada
- Boehringer Ingelheim production plant, France

LIGHT INDUSTRIAL AND MANUFACTURING

Major Completed Projects

- Johnson & Johnson Plant Expansion, Quebec, Canada
- Tertiary Amine Capacity Increase Project for Procter & Gamble, Kansas, United States

PULP AND PAPER

Major Completed Project

- Modernization of paper machine for Domtar, Quebec, Canada

CREATIVE SYNERGY



Guy Saint-Pierre
Chairman of the Board

Jacques Lamarre
President and
Chief Executive Officer

DETERMINING THE SHAPE

MESSAGE TO SHAREHOLDERS

Net income (excluding Highway 407) rose for the 10th consecutive year.

A continued solid financial position.

Project of the Year 2001 Award from the US Project Management Institute.

Key milestones reached with our Highway 407 concession project.

SNC-Lavalin is pleased to report that for the 10th consecutive year, our net income (excluding Highway 407) increased during 2001. This significant milestone in our 90-year history caps a series of solid achievements over the past 12 months.

Our expertise in project management was recognized internationally in November 2001 when SNC-Lavalin and its South African partner received the prestigious Project of the Year 2001 Award from the US Project Management Institute for work on the Mozal aluminum smelter in Maputo, Mozambique.

Key milestones were also reached with our banner concession project, Highway 407. The East partial and West Extensions were completed and opened ahead of schedule. The indirect acquisition of an interest in Highway 407 by a third party highlighted the underlying value of SNC-Lavalin's investment in the Highway, which is increasingly recognized in the marketplace.

2001 RESULTS AND FINANCIAL POSITION

For the year ended December 31, 2001, net income (excluding Highway 407) was \$59.2 million, an increase of 11.5% compared to 2000. We also reported a 10.8% increase in consolidated net income to \$26.4 million from \$23.9 million in the previous year.

We concluded the year by maintaining a strong balance sheet and ample liquidity to position ourselves favourably for investment opportunities in the current year, and beyond.

In March 2001, the Board of Directors increased the quarterly dividend paid to shareholders to \$0.07 per share. At its meeting of March 2002, the Board of Directors increased the quarterly dividend to shareholders to \$0.08 per share for the fourth quarter of 2001.

In June 2001, SNC-Lavalin Group Inc. issued three million common shares, allowing us to increase our capital base as we pursue strategic efforts to develop business opportunities in concessions.

MAJOR ACHIEVEMENTS

In terms of achievements and activities, we are pleased to report the completion of a wide range of projects in Canada and internationally. They include phase one of a heavy oil development project for Sincor in Venezuela; power projects such as the construction and start-up of a cogeneration plant in Windsor, Quebec and the expansion of the Kuttiyadi hydroelectric plant in India; the expansion of a smelter for the Hudson Bay Mining and Smelting Company in Manitoba; and the Bulyanhulu gold project in Tanzania.

Last year also saw the awarding of several new contracts, ensuring a healthy backlog of \$3.5 billion at year's end. Among the Canadian projects were the engineering, procurement and construction management (EPCM) for an extension to the Montreal subway system; the design, procurement and construction of a wireless PCS network for Bell Mobility in Western Canada; the upgrade of air locks used in the containment system for the Pickering "B" nuclear plant in Ontario; the commencement of the EP phase of the Syncrude oil sands crude production facility expansion project in Alberta; and as part of a joint venture, EPCM of the Tier 2 Alma platform and implementation of the first step of phase two of the Sable Offshore Energy gas field in Nova Scotia. New international contracts included the modernization of Pechiney's aluminum smelter in The Netherlands; engineering, procurement, construction (EPC) and start-up of a sulphuric acid plant in Turkey; the reconstruction of a conveyance pipeline to supply drinking water to the coastal regions of Libya; and construction of the Canadian Embassy in Port-au-Prince, Haiti.

OF THINGS TO COME

MESSAGE TO SHAREHOLDERS

A noteworthy addition to our concession portfolio was the 50% ownership in the AltaLink consortium, a new, Calgary-based energy transmission firm created to acquire the electricity transmission business of TransAlta Ltd. The transaction is subject to regulatory approvals and is expected to close in the first half of 2002.

Outside Canada, SNC-Lavalin has taken an interest on a 50-50 basis with Hydro-Québec in the Murraylink project, an interconnector between the electricity transmission grids of two Australian states. In addition to its equity investment in Murraylink, SNC-Lavalin will participate in the supervision of engineering, procurement and construction, and will contribute to quality control, quality assurance and the commissioning process.

ACQUISITIONS IN 2001

Acquisitions in 2001 were in line with our strategy to enhance our technical expertise.

In Canada, we completed four transactions in different technical sectors. We acquired Vancouver-based Pacific Liaison and Associates Inc., which both increased SNC-Lavalin's presence in British Columbia, and added project management expertise in the airport sector. SNC-Lavalin acquired Titan Projects Ltd. of Calgary, an acquisition designed to enhance our ability to pursue business opportunities in expanding markets such as natural gas processing and heavy oil production, for which Titan has recognized expertise. We acquired the Winnipeg-based firm of consulting engineers Roberts, Sloane & Associates Inc., to assist in further developing market opportunities in the agrifood industry. SNC Technologies (SNC TEC) acquired certain assets of Montreal-based EXPRO Chemical Products Inc., a producer of an extruded propellant used in commercial and military products. The transaction provides SNC TEC with direct access to the expertise and technology of one of only two producers of this extruded propellant in North America.

HIGHWAY 407

SNC-Lavalin announced several milestones in 2001 linked to its 99-year lease Highway 407 concession which now extends 108 km, compared to 69 km at the time the concession was acquired. The opening of new sections allows for a greater volume of traffic, resulting in a corresponding increase in revenues. The number of trips per day continues to exceed our base forecasts.

On the financial front, a number of milestones marked the ongoing success of this asset. First, the refinancing of the remaining subordinated bank credit facility was completed, opening the way for a dividend to be paid to Highway 407 shareholders as early as 2002. Second, the underlying value of SNC-Lavalin's investment in Highway 407 was highlighted with the announcement of the indirect acquisition of an interest by a third party. Based on this transaction value, SNC-Lavalin's stake in Highway 407 corresponds to nearly four times its initial investment of \$175 million. A further sign of confidence in the project occurred at the beginning of 2002, when one of SNC-Lavalin's partners in the project committed to converting its debenture into common shares.

The current accounting treatment of our investment in Highway 407, under which we disclose more than \$1 billion of non-recourse debt, does not reflect the nature of this \$175 million investment. Changes to the shareholder base, including one of the partners' undertaking to convert its convertible debenture into common shares, may result in an accounting treatment during 2002 which more appropriately reflects the nature of this investment.

STRATEGY

The business strategy we have used so successfully over past years to guide SNC-Lavalin's operations remains a reliable and credible springboard for our future activities. This strategy rests on four strong pillars:

- Build on our recognized expertise in our core sectors including, infrastructure, chemicals and petroleum, power, mining and metallurgy, facilities management, agrifood and biopharmaceuticals and develop new expertise in technical fields with promising growth opportunities
- Use our financing capabilities to enhance our competitiveness in major projects
- Use our technical expertise and financial capabilities to develop and acquire infrastructure concessions with solid fundamentals and potential
- Continue to leverage the international network we have built up over nearly 40 years

MESSAGE TO SHAREHOLDERS

This balanced distribution of our revenue sources by type of activity, industry sector and geographical region is key to our success, and a crucial factor in generating consistent results on a year over year basis.

SNC-Lavalin is committed to adapting its strategy as the need arises, while maintaining the highest level of efficiency in its operations, and meeting stringent standards for corporate governance. We believe this is a winning combination, and key to providing value for our shareholders. Overall, we are optimistic about 2002, and confident we will maintain our consistent record for achieving good results.

ACKNOWLEDGEMENTS

We would like to take this opportunity to acknowledge the contribution and commitment of all SNC-Lavalin employees who play such an important role in the success of our organization.

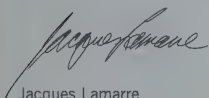
We would like to thank Taro Alepian, Executive Vice-President, member of the Office of the President, and President and Chief Executive Officer of Nexacor and ProFac, who retired in 2001. During his 27-year career at SNC-Lavalin, he led several of our subsidiaries and divisions, both in Canada and internationally, and brought many marketing initiatives, major projects and acquisitions to a successful conclusion.

Our thanks are extended to the members of the Board of Directors for their wise and valued direction, including Peter N.T. Widdrington, who left the Board in 2001 after serving 11 years, having reached the mandatory retirement age for directors.

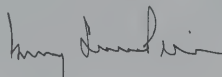
We welcomed a new Director to the Board in 2001, John E. Cleghorn, retired Chairman and Chief Executive Officer of the Royal Bank of Canada.

We would also like to express our gratitude to our clients for their confidence in our ability to add value to their projects anywhere in the world, manage them efficiently and bring them to completion, on budget and on schedule.

Finally, we would like to thank the shareholders of SNC-Lavalin for their ongoing support and confidence.



Jacques Lamarre
President and Chief Executive Officer

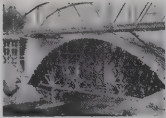
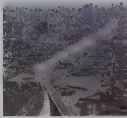
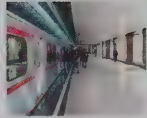


Guy Saint-Pierre
Chairman of the Board

MEMBERS OF THE OFFICE OF THE PRESIDENT



Left to right: Robert Tribe, Robert Leboeuf, Normand Morin, Pierre Anctil, Michael Novak, Jacques Lamarre, Klaus Triendl, Krish Krishnamoorthy, Gilles Laramée, Roger Nichol, Sami Bébawi.

				
Chicoutimi Bridge Chicoutimi, Canada	Ville-Marie Expressway Montreal, Canada	Ankara Metro Ankara, Turkey	Great Man-Made River Project Tazerbo, Libya	Vancouver Airport Connector Vancouver, Canada
1931	1975	1997	2000	2001
SNC-Lavalin – 90 years of excellence				

INFRASTRUCTURE

The Infrastructure division designs and builds infrastructure projects around the world, including mass transit systems, water/wastewater treatment facilities and airports, as well as a wide range of civil works projects, such as roads, bridges and flood control systems.

There has been significant activity in water and wastewater infrastructure projects, and this market is expected to continue to grow over the next decade. In addition to its leadership role in the design and construction of infrastructure facilities, SNC-Lavalin has developed noteworthy expertise in the operation and management of water supply and treatment facilities. The Company is currently working on two key water projects in Venezuela and, in 2001, won a third water contract in that country, as well as new contracts for major water projects in Algeria and Libya.

Global trends towards outsourcing and privatizing public infrastructure systems are creating a market for concession activities. The success of SNC-Lavalin's Highway 407 concession investment, highlighted on pages 24 / 25, positions the Company well to develop further opportunities in this area. In addition, the ability to provide innovative debt and equity financing gives SNC-Lavalin an important competitive advantage for concession activities in both developed and emerging countries. An agreement signed in the last quarter of 2001 with the Light Rail Transit Authority of the Philippines is a case in point. Once financing has been obtained, the Company will design and construct an extension to Manila's Light Rail Transit line and then participate in the operation and maintenance of the expanded system for 30 years.

SNC-Lavalin's skill and experience in managing large, complex projects has earned it an enviable reputation for delivering well-planned transit systems. The Company was awarded a contract for the engineering, procurement and construction management of a 5.2-kilometre extension to Montreal's subway system in 2001, and work continues on schedule on the Kuala Lumpur Monorail System in Malaysia and the Vancouver SkyTrain in Canada.

SNC-Lavalin's prominent position in the Canadian market was further reinforced by a number of new developments across the country. A contract was awarded to draw up the master plan for the Centre hospitalier de l'Université de Montréal (CHUM) which will house three area hospitals in one major medical centre. Also in Montreal, deck replacement work continued on the Jacques-Cartier Bridge – one of the largest projects of its kind ever undertaken in Canada. In Ontario, the Company is carrying out a 15-year operation and maintenance mandate on a water supply line it completed between Collingwood and Alliston in 2000. This landmark project illustrates the benefits of public-private partnerships in infrastructure development, and serves as a model for future projects in this sector. In British Columbia, SNC-Lavalin purchased Pacific Liaison, a firm with extensive experience in the international airport construction and concession market. This acquisition enhances the Company's in-house expertise and will open up further opportunities in Canada and internationally. Through Nishi-Khon SNC-Lavalin, a joint venture with the Dogrib Nation, the Company was also awarded a feasibility study for the development of road, port and barge facilities for Bathurst Inlet, Nunavut in the Arctic. Carried out in conjunction with SNC-Lavalin's Aboriginal and Northern Affairs business development unit, this project illustrates the Company's commitment to developing business opportunities with Aboriginal groups and enhancing the quality of life in their communities. In Atlantic Canada, the Company signed a contract with Public Works and Government Services Canada to provide environmental consulting services in the Maritimes for the next two years. SNC-Lavalin's Environment Division supports many activities across all sectors of the Company, and consulting contracts of this kind frequently lead to larger projects.

FROM INCEPTION TO COMPLETION



Jacques-Cartier Bridge
Deck Replacement
Montreal, Canada



					
Brockville Chemical Maitland, Canada	Kaybob Natural Gas Processing and Sulphur Recovery Facilities Beaverhill Lake, Canada	Sunoco Hydrocracker Sarnia, Canada	Hibernia Offshore Platform Newfoundland, Canada	LUKoil Refinery Volgograd, Russia	Sonatrach Gas Complex Rhourde Nouss, Algeria
1960	1973	1984	1994	1996	2000
SNC-Lavalin – 90 years of excellence					

CHEMICALS AND PETROLEUM

Areas of activity include oil sands and heavy oil development, oil and gas gathering and treatment facilities, sulphur removal and handling, petroleum refining, petrochemicals, pipelines, fertilizer projects and offshore oil and gas.

The Canadian market has experienced a steady increase in the production of synthetic and heavy oil, compensating for the decline in the production of conventional crude. This trend is expected to continue and it is estimated that, over the next 10 to 15 years, synthetic crude and heavy oil production could make up more than 50% of all Canadian oil produced. To strengthen its position in this area, SNC-Lavalin acquired Calgary-based Titan Projects Ltd., recognized for its expertise in Heavy Oil Steam Assisted Gravity Drainage (SAGD) projects.

The Chemicals and Petroleum market remains strong in Canada, and SNC-Lavalin has increased its leverage in this area by signing a partnership agreement with TransCanada Pipelines to provide engineering services for upcoming projects. The Company's track record as an engineering, procurement and construction (EPC) contractor continued to grow as construction began on a purified terephthalic acid (PTA) plant in Montreal. Work also continued on two gasoline sulphur reduction projects for Petro-Canada in Edmonton and Montreal. In addition, the Company maintained a solid position in Ontario with ongoing engineering services agreements with Imperial Oil, Bayer Rubber and Cabot Carbon.

SNC-Lavalin's international presence and reputation, particularly in the important Saudi Arabian and Venezuelan chemicals and petroleum markets, was underscored with the awarding of a front-end engineering and design (FEED) contract for a number of control system modernization projects in Saudi Arabia, and with the successful completion of the first phase of the Sincor Upstream Facilities Project in Venezuela. The Sincor project's outstanding safety record of no

lost-time accidents in over three million hours of work is indicative of the stringent health and safety standards SNC-Lavalin strives for in every project it carries out. The Company has since been awarded additional upstream facilities work at the Sincor facility.

Positioning itself to benefit from the growing offshore oil and gas market, SNC-Lavalin created a dedicated Offshore Oil & Gas Division in Atlantic Canada. The Division's first contract is a major joint venture to provide FEED work on the Alma platform off the coast of Nova Scotia. The operation has since become the leading offshore engineering and project management firm on Canada's east coast.

SNC-Lavalin continues to make inroads in the United States. In 2001, the Company opened a new business unit in Houston, Texas, to serve the US Chemicals and Petroleum market and provide technical resources for Canadian and international projects. SNC-Lavalin has an ongoing services agreement with Sunoco Refining Services, and it expanded its relationship with Marathon Ashland with a multi-year major services agreement. Work is also progressing well on the Stagecoach Gas Storage Project in New York State, and the Company expects to see more opportunities in the field of gas storage and compression both within and outside the United States.

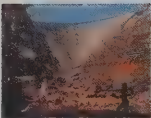
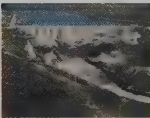
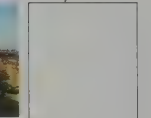
SNC-Lavalin maintains a leading position in the area of sulphuric and phosphoric acid plant construction. In 2001, the Company won a contract to build a pyrite burning sulphuric acid plant in Turkey, while work continues on the expansion of a phosphoric acid plant for Indian Ocean Fertilizer in South Africa.

EXTRACTING SOLUTIONS



Sincor Upstream Facilities
San Diego de Cabrutica,
Venezuela



					
Idukki Hydroelectric Project Kerala, India	Manic 5/Daniel-Johnson Dam Quebec, Canada	La Grande-3 Hydroelectric Project Quebec, Canada	Dodoma-Mwanza 220 kV Transmission Project Tanzania	Paiton Thermal Generating Station East Java, Indonesia	Qinshan Nuclear Power Plants Qinshan, China
1964-1968	1968	1982	1990	1995	2001
SNC-Lavalin – 90 years of excellence					

POWER

The Power division offers the complete range of services required to design, build, own and operate power facilities, including hydroelectric, thermal and nuclear power generation, and power transmission and distribution.

Changes in the global Power sector are opening up new opportunities around the world. Deregulation and privatization, along with a need to revamp ageing facilities, are having a positive effect on Canada's Power industry. Internationally, it is estimated that there will be billions of dollars in new projects over the next several years. With 90 years of experience in over 120 countries, SNC-Lavalin is in an excellent position to benefit from such opportunities.

The Company has ongoing restructuring projects in a number of Central American countries and in several Indian provinces. In 2001, SNC-Lavalin was awarded the Southeastern Europe Electrical System Technical Support (SEETEC) Project, which will be carried out in an area covering nine Balkan countries. Similarly, the Company started work on a new lump-sum contract to rehabilitate the Cameron Highlands & Batang Padang Hydroelectric Schemes in Malaysia, which will involve modernizing and upgrading seven hydroelectric power plants. Both these awards reflect SNC-Lavalin's international reputation for managing risks associated with technically and commercially complex projects.

There has been an increasing market demand for lump-sum turnkey (LSTK) projects, in many cases with a financing element included. SNC-Lavalin's ability to secure financing solutions makes it ideally suited to meet this demand. For example, SNC-Lavalin Capital arranged \$58 million in financing for the ongoing Omushkego Ishkotayo transmission line construction project in northern Ontario, Canada. The Company's Aboriginal and Northern Affairs business development

unit was also involved in this project, and it continues to pursue mutually beneficial opportunities with Aboriginal groups across the country.

SNC-Lavalin enhanced its growing status as a major engineering, procurement and construction (EPC) contractor in Canada and internationally, with the completion of two EPC contracts – the construction of a cogeneration plant in Quebec, and the extension of the Kuttiyadi hydroelectric plant in India. In addition, it has other ongoing EPC projects in the provinces of Saskatchewan and Ontario, as well as in India and Thailand.

In 2001, the Company made a major foray into Alberta's power market by leading a consortium that is to acquire TransAlta Corporation's power transmission business. The transaction is expected to close, subject to regulatory approval, in the first half of 2002. In addition to reinforcing SNC-Lavalin's position as a global leader in power transmission expertise, this investment will offer a stable source of revenues and further engineering and construction opportunities.

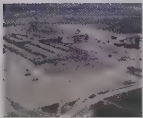
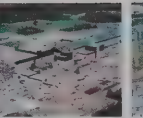
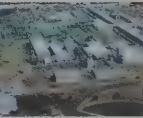
The nuclear power industry is witnessing an increase in refurbishing activity. Canatom-NPM Inc., a company majority-owned by SNC-Lavalin, contributes valuable expertise in this field. Work continues on a return-to-service contract at the Pickering Nuclear Power Plant in Ontario, and the Company is pursuing opportunities to expand into the US market. SNC-Lavalin also plans to strengthen its presence in the area of nuclear waste management, and is currently working on a used fuel dry storage project at the Bruce Nuclear Power Plant in Ontario.

IN ALL SHAPES AND SIZES



Chamera II
Hydroelectric Project
Himachal Pradesh, India



					
Blackwell Zinc Plant Oklahoma, USA	Grande-Baie Aluminum Smelter La Baie, Canada	Kumtor Gold Project Bishkek, Kyrgyzstan	Pierina Gold Project Huares, Peru	Magnola Magnesium Plant Danville, Canada	Mozal Aluminum Smelter Maputo, Mozambique
1957	1982	1997	1998	2000	2000
SNC-Lavalin—90 years of excellence					

MINING AND METALLURGY

SNC-Lavalin is a leader in designing, engineering and constructing mining, mineral processing, aluminum smelting, pyrometallurgical and hydrometallurgical facilities for the mining industry.

SNC-Lavalin's technical expertise, project management skills, and ability to maintain long-term relationships with clients are reflected in its proven ability to meet the demands of international projects in this sector. The Company has built some of the world's largest mining and metallurgy projects and has been involved in 11 of the last 19 major aluminum smelters constructed and under construction worldwide.

The Company's position as the premier engineering and design firm for aluminum smelters, and its reputation for excellence in project management, were acknowledged in 2001 when its Mozal aluminum smelter project in Mozambique won three awards, including the US Project Management Institute's (PMI's) prestigious Project of the Year Award. Every aspect of the Project's management, from efficiency of operations to commitment to the local community, was taken into account in PMI's assessment process. In addition to being completed six months ahead of schedule and \$100 million under budget, the Project's strict environmental and health and safety standards set important precedents in southern Africa. The Company's ongoing Skorpion zinc mine and refinery project in Namibia also distinguished itself in this area by logging one million man-hours on-site without a single lost-time injury.

SNC-Lavalin's work on the ongoing Diavik diamond mine project in the Canadian Arctic is another example of its commitment to the highest environmental standards. Extensive environmental assessment and

management studies, requiring diverse expertise, were conducted before work began last year in the delicate Arctic ecosystem. Projects such as this underscore the importance of SNC-Lavalin's corporate resources and its ability to provide the breadth of knowledge necessary for projects of this complexity and magnitude.

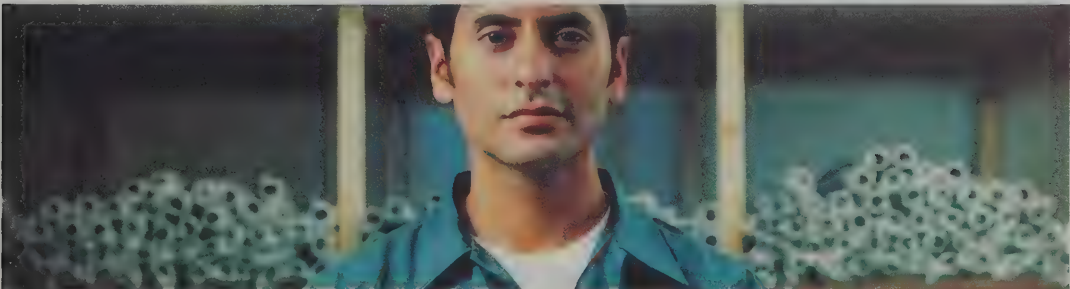
Maintaining long-term relationships with clients is of prime importance to SNC-Lavalin. During the past year, the Company completed the engineering, procurement and construction management of another Barrick Gold project, Bulyanhulu in Tanzania, where both capital cost and schedule objectives were achieved. SNC-Lavalin also continued to build on its good relationship with BHP Billiton and was awarded new contracts to expand the Mozal and Hillside aluminum smelters in southern Africa.

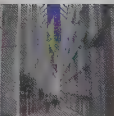
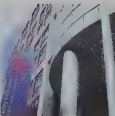
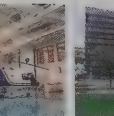
SNC-Lavalin will focus on continuing to grow its business in Africa and other parts of the developing world, while maintaining its leading position as a top engineering/construction firm in the major established mining countries. In 2001, the Company was awarded a basic engineering contract for a gold project in Romania, and a copper smelter feasibility study in Chile. Also in Chile, the upgrading and modernization of Noranda's Altonorte copper smelter proceeded to construction. Engineering studies and construction management services were also undertaken for projects in Australia, Canada, Argentina, Greece, Peru, Zambia and the United States.

FROM THE GROUND UP



Diavik Diamond Mine
Northwest Territories,
Canada



				
Canada Post Corporation	National Gallery of Canada	Canadian Broadcasting Corporation	Ontario Realty Corporation	Bell Canada Enterprises
1994	1996	1997	1999	2000
SNC-Lavalin -- 90 years of excellence				

FACILITIES AND OPERATIONS MANAGEMENT

SNC-Lavalin's wholly owned subsidiary, ProFac Facilities Management Services Inc., is Canada's largest provider of integrated management services for facilities, infrastructure and real estate, and a leader in the management of mission-critical facilities in the telecommunications, broadcasting and utility markets. It is currently the only ISO 9001-certified facilities and infrastructure services provider in Canada. The Company's Facilities and Operations Management Division is made up of SNC-Lavalin ProFac and its affiliates, SNC-Lavalin Nexacor and SNC-Lavalin Defence Programs.

Facilities and operations management outsourcing represents a strong growth area as more governments and companies throughout North America and around the world outsource services. ProFac, with its 1,200 employees, has positioned itself as one of Canada's largest providers of the full range of facilities, operations and real estate management services, and it stands to benefit greatly from these increased opportunities. ProFac and its affiliate, Nexacor, manage over 6,500 facilities covering almost eight million square metres of space in North America. Between them, they have long-term contracts with Canada Post, the Canadian Broadcasting Corporation (CBC), Ontario Realty Corporation (ORC), Bell Canada and the Canadian Department of National Defence (DND). In 2001, the Company added Telebec, Northern Telephone, H&R REIT and Bell Actimedia to its client list. In the marine facilities management market, SNC-Lavalin Defence Programs, an affiliate of ProFac, provides the in-service support for 12 Maritime Coastal Defence Vessels (MCDVs) for DND.

ProFac's proven ability to manage mission-critical facilities, such as those under the CBC, Bell Canada and MCDV contracts, positions it well for future outsourcing opportunities in other areas. The Facilities and Operations Management division plans to continue expanding into other commercial and industrial sectors by leveraging its management and strategic procurement capabilities, along with SNC-Lavalin's global presence and technical expertise. In the long-term, SNC-Lavalin intends to become a worldwide player in operations and maintenance management through strategic acquisitions, public-private partnerships, joint ventures and alliances.

ProFac has a team of over 150 project managers supervising several thousand projects each year. These projects vary in nature from building upgrades and major equipment installations, such as diesel generators, to the design and construction of telecommunications and utility network operation centres.

A key competitive advantage for ProFac is its extensive use of information technology to maximize productivity and performance. In 2001, a fully integrated Enterprise Resource Planning (ERP) system was implemented to provide support in streamlining operations and enhancing customer service. In another initiative, the Division is developing a one-stop, Web-enabled Customer Support Centre in Toronto to deliver seamless services to its customers. The Centre will have managers on-site to handle service requests and technical questions. These projects demonstrate ProFac's commitment to provide comprehensive, customer-focused service to its clients, and to achieve its vision of being "The Total Services Solution".

Through its systems, processes and customer-focused staff, SNC-Lavalin's Facilities and Operations Management team is able to deliver on its philosophy of continuous improvement and bring added-value management to services in several business and industrial sectors. It has a proven track record of smooth transitions when bringing its clients' people, operations and suppliers onto its own team. SNC-Lavalin's ability to reduce costs for its clients and improve the quality of its ongoing services has been the key to its success.

THE TOTAL SERVICES SOLUTION



MCDV In-Service Support,
Canada





DEFENCE

SNC TEC, the Company's Defence manufacturing subsidiary, produces an extensive line of defence products, and provides consulting and research and development services.

SNC TEC has been successfully developing its product and service offering to expand and diversify its potential in international Defence markets. This policy has allowed SNC TEC to contribute consistently to the overall profitability of the Company. In 2001, the Company purchased certain assets of Quebec-based EXPRO Chemical Products Inc., one of only two North American producers of an extruded propellant used in commercial and military products. Its business is now operated by one of SNC TEC's affiliates, EXPRO Technologies Inc. This transaction will solidify SNC TEC's position in the North American and NATO ammunition markets.

SNC TEC has been making significant inroads in the US and is confident that its diverse products and services will give it an important edge in this and other Defence markets. In addition to traditional munitions products, SNC TEC offers project management services and training products to special operations units, law enforcement agencies and other military markets. Each of these areas of activity has widened the Company's client base. In 2001, SNC TEC was awarded a five-year contract by the US NAVSEA (Surface Warfare Division) to supply large quantities of FX (special effects) marking ammunition to the US Navy. It is also under contract with the US Army to develop new 5.56 mm Short Range Training Ammunition.

SNC TEC's special operations product line, sold under the internationally recognized brand name SIMUNITION®, includes FX non-lethal, reduced-energy bullets that leave a coloured mark on intended targets, Close Quarter Target ammunition for marksmanship exercises, and two lines of environmentally friendly, lead-free bullets that disintegrate on impact to reduce dangerous ricochet effects. These key products have made SNC TEC an important player in the North American and European international training markets.

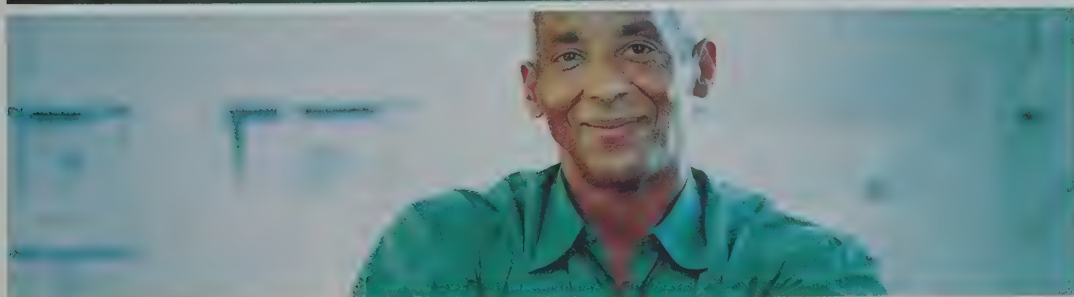
SNC TEC is also pursuing Insensitive Munitions projects and has signed teaming agreements with American, French and Canadian partners for the US 120 mm High Explosive Insensitive Munitions Mortar Program. This type of ammunition is less sensitive to the effects of movement and other outside influences and, therefore, less likely to explode accidentally.

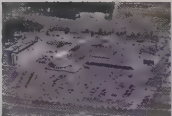
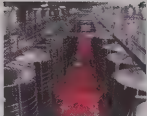
SNC TEC remains very active in the Canadian Defence market and, in 2001, the Department of National Defence (DND) awarded the Division a contract to study the long-term orientation of its Indirect Fire System. This study is of strategic importance, as it will give SNC TEC some insight into DND's Artillery and Mortar ammunitions product line for the coming years.

A RESPONSIBLE PARTNER



SNC TEC Headquarters
Le Gardeur, Canada



					
	Merck Frosst Biomedical Research Facility Montreal, Canada	Wine Facility for Dulong-Huet Saint-Savin-de- Blaye, France	Domtar Paper Machine No. 7 Windsor, Quebec Canada	Procter & Gamble Plant Belleville, Canada	
	1988-2001	2001	2001	2001	
	SNC-Lavalin - 90 years of excellence				

ADDITIONAL SECTORS

AGRIFOOD

SNC-Lavalin delivers projects for the full range of agricultural processing, including meat and poultry, fruit and vegetables, cheese, cereals, sugar, and a variety of frozen foods. It is also involved in airline catering facilities, and the planning and construction of distribution storage facilities.

The Company's biopharmaceutical professionals are market leaders in engineering construction and validation projects with expertise in biotechnology and pharmaceutical process engineering, as well as regulatory compliance.

SNC-Lavalin offers full engineering, procurement, construction and project management services for clients in the light industrial and secondary processing sectors.

The Pulp and Paper division, SNC-Lavalin Cowan, covers the entire project cycle, from initial conceptual studies and estimates, through detailed engineering, procurement, cost control checkout, commissioning and training.

Increasingly, clients in the Agrifood industry are looking for partners with the ability to provide global solutions, such as turnkey packages, to meet their individual needs worldwide. With the purchase of Winnipeg-based Roberts, Sloane & Associates Inc. in July 2001, SNC-Lavalin's Agrifood division enhanced its capacity to meet those needs. Roberts, Sloane & Associates' construction management and process and design development experience nicely complements SNC-Lavalin's global network.

Increased activity in the beverages sector is reflected in the projects being carried out by the Company's European-based agrifood subsidiary, SNC-Lavalin Pingat. In France, it is currently building a new fermentation cellar for Moët & Chandon, and it finished a study for a new mineral water bottling unit for Perrier-Vittel (Nestlé).

SNC-Lavalin continues to build up its Hungarian affiliate, Pingat Hungaria, and is making important inroads in the emerging Central and Eastern European markets. SNC-Lavalin also provided engineering and construction management expertise for the McCain frozen french fry facility in Marougues, France.

BIOPHARMACEUTICALS

SNC-Lavalin's ability to maintain long-term relationships with the industry's leading companies reflects the level of its expertise and the quality of its work. The Company is proud of its continuous partnerships with AstraZeneca, Bristol-Myers Squibb, Aventis, DSM Biologics, GlaxoSmithKline, MDS Nordion, Novartis and Merck Frosst. In 2001, SNC-Lavalin was awarded a second contract by Ajinomoto Eurolysine of Japan for an extension

to its amino acid production plant in Amiens, France. This contract is similar to a previous contract with Ajinomoto to engineer and construct a lysine production plant.

The ongoing renovation and expansion of the Merck Frosst Centre for Therapeutic Research in Montreal is another example of a successful partnership, and one that illustrates SNC-Lavalin's seamless approach to doing business. The Company's biopharmaceutical division, SNC-Lavalin Pharma, is working very closely with other divisions to assemble the optimum team to address the many requirements of the project. Another example is the team set up for an EPC contract to design and build a biopharmaceutical facility for Hemosol in Ontario.

LIGHT INDUSTRIAL AND MANUFACTURING

SNC-Lavalin's ability to maintain long-term relationships with key clients is reflected in this sector by its ongoing services contract with Procter & Gamble. In 2001, the Company completed two projects for Procter & Gamble: a contract to relocate its catamenials production lines from Greenville, North Carolina to Belleville, Ontario; and follow-up technical assistance on its dry laundry plant in Brockville, Ontario. SNC-Lavalin also completed another plant expansion project in Montreal for Johnson & Johnson.

PULP AND PAPER

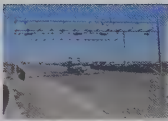
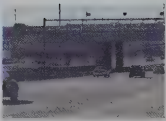
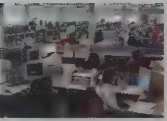
Canada is a huge international player in the Pulp and Paper industry, and the Company is represented in this sector by SNC-Lavalin Cowan. In 2001, the Division completed a contract for the modernization of a fine-paper machine for Quebec-based Domtar.

A STEP AHEAD



DSM Biologics
Montreal, Canada



			
Highway 407 ETR Control Centre Toronto, Canada	Highway 407 ETR Ontario, Canada	Highway 407 ETR Ontario, Canada	Highway 407 ETR Call Centre Toronto, Canada
2001	2001	2001	2001
99-year concession investment			

HIGHWAY 407

Highway 407 (407 ETR) is the world's first all-electronic open-access toll road. In 1999, a consortium formed by SNC-Lavalin and two partners acquired the right to operate 407 ETR under a 99-year lease from the Government of Ontario.

It has since become recognized as one of the most successful road concessions in the world.

In terms of value to SNC-Lavalin's shareholders, two of the most significant developments in 2001 were the indirect acquisition of an interest in 407 ETR by a third party, and the early completion of the East partial and West Extensions to the Highway.

In September 2001, a third party indirectly acquired an interest in 407 ETR. Based on the value of the transaction disclosed by the third party at that time, the estimated value of SNC-Lavalin's stake in the Highway was nearly four times its initial investment of \$175 million. The third party's acquisition of its interest in the concession, along with the consortium's earlier refinancing of \$3.2 billion in credit facilities in less than one year, are clear indications of the underlying value of 407 ETR. Completion of the remaining subordinated bank credit facility refinancing in 2001 also contributed to market confidence in the concession, as did the commitment, effective January 1, 2002, of one of SNC-Lavalin's 407 ETR partners to convert its \$125 million worth of debenture into shares. The concession has remained cash flow positive, and it is expected that these cash flows will increase over time. Given these positive developments, the 407 ETR Board of Directors declared a dividend of \$0.03 per common share, which was paid on February 28, 2002.

Revenues are expected to grow significantly with the addition of the two Extensions, which have increased the length of the Highway by 39 km to a total of 108 km. The Extensions, to Burlington in the West and Pickering in the East, have opened the entire length of 407 ETR to potential new customers and increased the number of chargeable kilometres.

Even prior to the Highway's extension, the volume of traffic had already increased beyond base forecasts. In 2001, the average number of workday trips was 285,060, surpassing the base forecast of 267,200 set at the project's inception by Halcrow Fox, an independent traffic consultant. In addition, approximately 72% of all trips on 407 ETR have been made using a transponder, indicating a strong base of frequent repeat customers. Vehicle kilometres travelled increased to over 1.6 billion in 2001, up 12.6% over the previous year. As the number of users increases, sections of the Highway can easily be expanded to meet traffic demands and ensure its superior safety record is maintained.

CONNECTING WORLDS

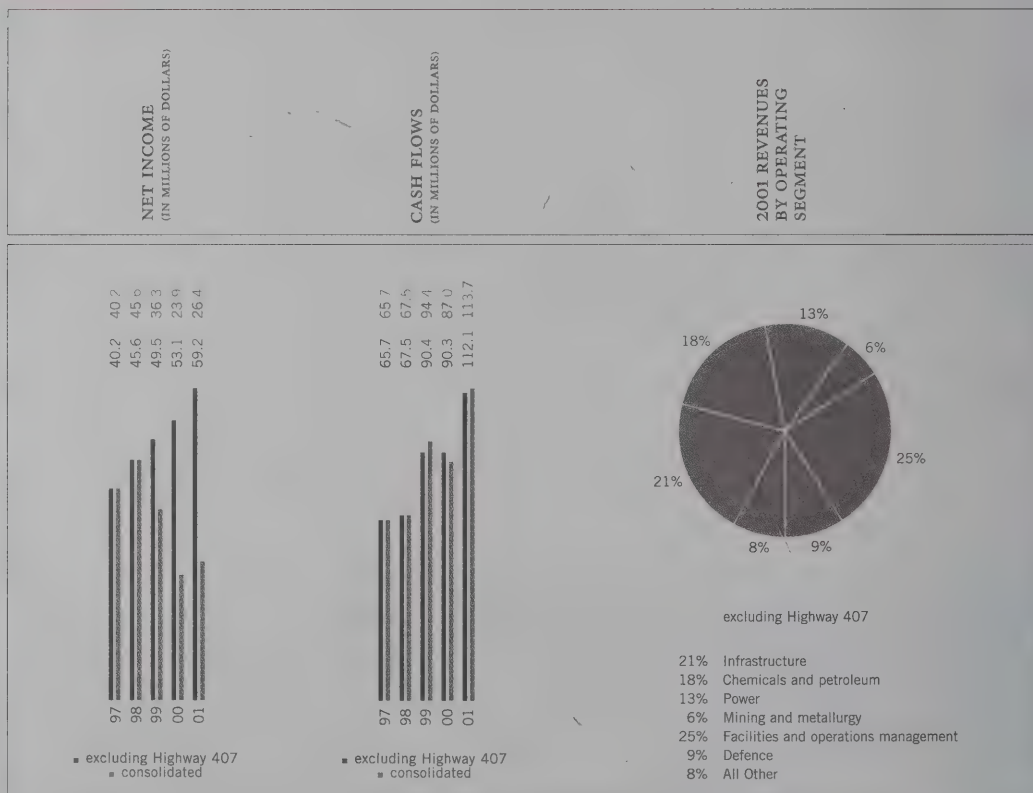


407 ETR
Ontario, Canada



MANAGEMENT'S DISCUSSION AND ANALYSIS

HIGHLIGHTS



\$323 MILLION

(CONSOLIDATED CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS)

NET INCOME

2001 marked the 10th consecutive year of net income growth, excluding Highway 407, to \$59.2 million, an increase of 11.5% compared with 2000. Consolidated net income increased by 10.8% in 2001 to \$26.4 million from \$23.9 million in 2000.

CASH FLOWS

Cash flows from operations before net change in non-cash working capital items, excluding Highway 407, increased by 24.1% in 2001 to \$112.1 million from \$90.3 million in 2000. Consolidated cash flows from operations before net change in non-cash working capital items increased by 30.7% to \$113.7 million in 2001 from \$87.0 million in 2000.

REVENUES

Revenues, excluding Highway 407, increased by 32.8% in 2001 to \$2,283.2 million from \$1,719.5 million in 2000. Consolidated revenues grew by 33.7% to \$2,326.8 million in 2001 from \$1,740.4 million in 2000.

CASH POSITION

Cash, cash equivalents and short-term investments, excluding Highway 407, increased by 24.3% to \$301.6 million in 2001 from \$242.7 million in 2000. Consolidated cash, cash equivalents and short-term investments increased by 26.3% to \$323.2 million in 2001 from \$255.8 million in 2000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following analysis and discussion is intended to enhance the understanding of the audited consolidated financial statements and accompanying notes, and should therefore be read in conjunction with these documents. Statements made in this report that describe the Company's or management's objectives, projections, estimates, expectations or predictions of the future may be "forward-looking statements", which can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "should", "estimates", "anticipates", or the negative thereof or other variations thereon. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that its actual actions or results could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes.

OVERVIEW

SELECTED FINANCIAL INDICATORS

(IN THOUSANDS OF DOLLARS, EXCEPT PER-SHARE AMOUNTS)

	2001	2000
NET INCOME (LOSS)		
EXCLUDING HIGHWAY 407	\$ 59,194	\$ 53,068
FROM HIGHWAY 407	(32,748)	(29,203)
	<u>\$ 26,446</u>	<u>\$ 23,865</u>
BASIC EARNINGS PER SHARE		
EXCLUDING HIGHWAY 407	\$ 1.24	\$ 1.14
FROM HIGHWAY 407	(0.69)	(0.63)
	<u>\$ 0.55</u>	<u>\$ 0.51</u>

2001 marked the 10th consecutive year of net income growth, excluding Highway 407, for the Company. Net income, excluding Highway 407, increased by 11.5% in 2001 to \$59.2 million from \$53.1 million in 2000. Basic earnings per share, excluding Highway 407, increased by 8.8% in 2001 to \$1.24 per share from \$1.14 per share in 2000. The increase in net income did not result in an identical percentage increase in basic earnings per share in view of the greater weighted average number of outstanding shares, as the Company issued three million common shares in June 2001. As expected, the net accounting loss from Highway 407 of \$32.7 million in 2001 was higher than the net accounting loss of \$29.2 million in 2000, as the increase in the earnings before interest and taxes (EBIT) was more than offset by higher interest expenses. Consolidated net income was \$26.4 million in 2001 compared with \$23.9 million in 2000. Consolidated basic earnings per share were \$0.55 in 2001 compared with \$0.51 in 2000.

Return on weighted average shareholders' equity (ROASE), excluding Highway 407, was 14.8% in 2001 compared with 14.9% in 2000. Consolidated ROASE was 6.6% in 2001 compared with 6.7% in 2000.

Consolidated revenues increased by 33.7% to \$2,326.8 million in 2001 from \$1,740.4 million in 2000, reflecting an increase in all three revenue categories, notably Packages and Concessions.

Revenue backlog at the end of 2001 was \$3.5 billion compared with the record level of \$4.0 billion in 2000. The lower backlog reflects mainly the advancement on certain major projects awarded in late 2000, the sale of the Company's interest in a postal concession in Lebanon, as well as the advancement on facilities and operations management's long-term contracts.

Consolidated cash and cash equivalents and short-term investments totalled \$323.2 million in 2001 compared with \$255.8 million in 2000. The change in cash position over the past year was largely due to positive cash flows from operations before net change in non-cash working capital items and net proceeds from a three million common shares issuance, partially offset by acquisitions of businesses and capital expenditures coupled with dividends paid to shareholders.

GEOGRAPHIC BREAKDOWN OF REVENUES

GEOGRAPHIC BREAKDOWN OF REVENUES
(IN MILLIONS OF DOLLARS)

	2001	2000
CANADA	\$ 1,549.6	\$ 1,030.1
OUTSIDE CANADA		
ASIA	244.5	182.0
LATIN AMERICA	130.3	161.8
AFRICA	117.1	132.1
EUROPE	85.0	111.2
OTHER	200.3	123.2
	777.2	710.3
TOTAL REVENUES	\$ 2,326.8	\$ 1,740.4

Revenues in Canada increased by 50.4% to \$1,549.6 million in 2001, compared with \$1,030.1 million in 2000, mainly due to higher activity in the facilities and operations management, chemicals and petroleum, infrastructure, and power segments. Revenues from facilities and operations management, which represent 36.0% of revenues in Canada, increased by \$211.0 million mainly due to the first full-year effect of the acquisition, in May 2000, of the remaining 50% interest in ProFac Facilities Management Services Inc. (ProFac), which had previously acquired Nexacor Realty Management Inc. The balance of the increase in facilities and operations management revenues was mainly due to higher volume on long-term contracts. Excluding the facilities and operations management segment, revenues in Canada would have increased by \$308.5 million, or 45.2%. With continued contributions from facilities and operations management, chemicals and petroleum, power, defence and infrastructure segments, revenues from Canada in 2002 are expected to be in line with 2001.

Revenues from outside Canada increased by 9.4% to \$777.2 million in 2001 compared with \$710.3 million in 2000. Revenues generated in Asia were \$244.5 million in 2001 compared with \$182.0 million in 2000, mainly reflecting greater activity in the power segment. In 2001, revenues from Latin America decreased to \$130.3 million from \$161.8 million, in 2000, mainly due to lower activity in the chemicals and petroleum segment, partially offset by increased activity in the infrastructure segment. Revenues from Africa were \$117.1 million in 2001 compared with \$132.1 million in 2000, reflecting the completion of major projects in the infrastructure and chemicals and petroleum segments. Revenues from Europe were \$85.0 million in 2001 compared with \$111.2 million in 2000, mainly due to decreased activity in the mining and metallurgy segment. Revenues from other regions, including the United States, Eurasia and the Middle East, increased by 62.6% in 2001 as a result of higher activity in the infrastructure and chemicals and petroleum segments. With recent awards and several opportunities in Africa, Latin America and Asia, the Company expects 2002 revenues from outside Canada to be at least in line with 2001.

ECONOMIC TRENDS

After reaching a 4.4% growth in 2000, the Canadian economy weakened in 2001, even before the events of September 11, mainly due to declines in exports and lower commodity prices. Growth in Canadian gross domestic product (GDP) is projected to be at 1.4% in 2001, and to remain at about the same level in 2002.

In an effort to restore consumer and business confidence, an important array of monetary and fiscal stimuli were introduced, both in Canada and in the US. The effect of measures such as lower interest rates and tax cuts in Canada, coupled with softer energy prices and the expected improvement in commodity prices, provide the backdrop to a moderate recovery for the second half of 2002, which is expected to spur an upturn in capital investments. Meanwhile, new opportunities for engineering and construction continue to arise in Canada, mainly in the energy sector with the oil sands and offshore developments, as well as in the infrastructure segment with government spending initiatives in public infrastructure programs.

Outside Canada, major industrialized countries as well as emerging markets have also experienced an economic slowdown in 2001. The outlook for the engineering and construction industry remains positive, as global economic growth is expected to gradually recover in 2002. The Company sees opportunities in many regions of the world, mainly in the transportation and water-related work sectors of the infrastructure segment, as well as in the power and chemicals and petroleum segments.

Amid the current economic context, the Company strives to benefit from its sectoral diversity and well-established presence both inside and outside Canada, and foresees its 2002 revenues to be at least in line with the 2001 record performance.

OPERATING RESULTS BY CATEGORY

As expected, the Company's revenues grew in 2001. The 33.7% growth over 2000 was mainly attributable to Concessions and Packages with the ramp-up of certain major Packages projects awarded in the second half of 2000. The lower gross-margin-to-revenue ratio of 16.0% in 2001 compared with 17.9% in 2000 is explained mainly by Concessions activities, particularly the increase in facilities and operations management revenues, which typically generate lower gross margin ratios, as well as higher margins for Packages in 2000. Gross margin was \$373.4 million in 2001 compared with \$310.8 million in 2000, reflecting increased activity in the three categories of revenues.

FINANCIAL RESULTS BY CATEGORY (IN THOUSANDS OF DOLLARS)

FINANCIAL RESULTS BY CATEGORY		2001		2000	
(IN THOUSANDS OF DOLLARS)					
REVENUES					
SERVICES	\$	583,168		\$	544,869
PACKAGES		863,243			523,647
CONCESSIONS		880,419			671,890
	\$	2,326,830		\$	1,740,406
GROSS MARGIN					
SERVICES	\$	144,071	24.7%	\$	134,489 24.7%
PACKAGES		106,618	12.4%		77,680 14.8%
CONCESSIONS		122,728	13.9%		98,611 14.7%
	\$	373,417	16.0%	\$	310,780 17.9%

Services revenues increased to \$583.2 million in 2001 compared with \$544.9 million in 2000, mainly due to higher activity in the chemicals and petroleum segment, which was partially offset by the expected decrease in volume in the mining and metallurgy segment. Gross margin for the Services category was \$144.1 million in 2001 compared with \$134.5 million in 2000, reflecting the higher volume as the gross margin ratio of 24.7% was similar to 2000. In 2002, Services revenues are expected to remain essentially in line with 2001.

Packages revenues increased to \$863.2 million in 2001 compared with \$523.6 million in 2000. The main contributors to the increase in Packages revenues were infrastructure, chemicals and petroleum and power segments, reflecting the advancement of ongoing projects and work on major projects awarded in the second half of 2000 and early 2001. Remaining within the Company's expected range for Packages projects, the gross-margin-to-revenue ratio was 12.4% of revenues in 2001 compared with 14.8% in 2000. The overall Packages gross margin increased by 37.3% to \$106.6 million in 2001 from \$77.7 million in 2000, reflecting the increase in Packages revenues. Revenues for 2002 are expected to be at least in line with 2001 level, as the Company pursues several opportunities inside and outside Canada.

CONCESSIONS REVENUES BY OPERATING SEGMENT
(IN THOUSANDS OF DOLLARS)

	2001	2000
FACILITIES AND OPERATIONS MANAGEMENT	\$ 558,315	\$ 347,361
DEFENCE	211,355	208,021
HIGHWAY 407	65,706	51,017
OTHER	45,043	65,491
	\$ 880,419	\$ 671,890

Concessions include activities from investments in companies arising from privatization, public-private partnerships, long-term outsourcing and other concession-type arrangements. These activities mainly include the operations of Highway 407, the ProFac subsidiary involved in facilities and operations management, as well as equity investments in concession-related companies. Also included in Concessions is SNC Technologies Inc. ("SNC TEC"), a subsidiary involved in the manufacturing of ammunition. In December 2001, SNC TEC acquired, through a new wholly-owned subsidiary Expro Technologies Inc. ("EXPRO TEC"), certain assets of EXPRO Chemical Products Inc., a producer of an extruded propellant used in commercial and military products.

Concessions revenues increased by 31.0% to \$880.4 million in 2001 from \$671.9 million in 2000, reflecting primarily increased activity in facilities and operations management, mainly due to the first full-year effect of the 2000 acquisitions as well as higher volume on ongoing contracts. Concessions gross margin increased to \$122.7 million in 2001, or 13.9% of revenues, compared with \$98.6 million in 2000, or 14.7% of revenues. The gross margin increase was not proportional to the increase in revenues, reflecting a higher proportion of facilities and operations management activities, which typically have lower margins, and the underperformance of the Spectra Telecom joint venture, partially offset by favourable outcomes on certain concessions. With continued contributions from the facilities and operations management segment coupled with the recent acquisition in the defence segment, the Company expects 2002 Concessions revenues to be at least in line with the performance of 2001.

Consolidated administrative, marketing and other expenses (SG&A expenses), excluding goodwill amortization, were \$234.3 million in 2001 compared with \$202.5 million in 2000. The variance is largely due to an increase in marketing and proposal efforts and occupancy costs, reflecting the higher volume of activity as well as administrative and marketing expenses from acquired businesses and restructuring costs in the Spectra Telecom joint venture. The Company continues to maintain an appropriate balance between revenues and administrative expenses, while maintaining the necessary investment in marketing and selling activities to achieve growth.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BACKLOG

REVENUE BACKLOG AT DECEMBER 31 (IN MILLIONS OF DOLLARS)	2001	2000
BY CATEGORY		
SERVICES	\$ 389.7	\$ 370.0
PACKAGES	885.0	1,163.9
CONCESSIONS	2,222.3	2,440.2
TOTAL	\$ 3,497.0	\$ 3,974.1
BY REGION		
CANADA	\$ 2,676.0	\$ 2,931.4
OUTSIDE CANADA	821.0	1,042.7
TOTAL	\$ 3,497.0	\$ 3,974.1

Revenue backlog remained strong at the end of 2001 at \$3.5 billion, albeit lower than the 2000 year-end level of \$4.0 billion. The record high ending backlog of 2000 had increased by 44% over the preceding year mainly reflecting several major contracts awarded in late 2000. The lower backlog level in 2001 not only reflects the advancement on major project awards in late 2000 but also the sale of the Company's interest in a postal concession in Lebanon as well as the advancement on facilities and operations management long-term contracts.

Services backlog was \$389.7 million at the end of 2001 compared with \$370.0 million in 2000. Major contract awards for 2001 included Syncrude Alliance 21 for the engineering and procurement portion of the oil sands project; the front-end engineering and design for the Alma platform in the Sable Offshore Energy Inc. gas field, offshore Nova Scotia; the joint venture contract for the detailed engineering, procurement and construction of two gasoline sulphur reduction units in Alberta and Quebec; the engineering, procurement, construction, management (EPCM) project to expand the recently completed Mozal 1 aluminum smelter near Maputo, Mozambique; the basic engineering for a gold project in Romania; the EPCM contract to revamp an existing smelter for Pechiney Netherlands N.V.; the joint venture contract to restart a nuclear power plant in Pickering, Ontario; the Southeastern Europe Electrical System Technical Support (SEETEC) project to improve the management, delivery and rational use of electricity in an area covering nine Balkan countries; and the EPCM contract, in joint venture, to extend Montreal's subway system to Laval in Quebec.

Packages backlog was \$885.0 million in 2001 compared with \$1,163.9 million in 2000, reflecting advancement on major projects that were awarded in the second half of 2000 mainly in the chemicals and petroleum, infrastructure and power segments, as well as completion of certain major projects in 2001. Packages awards in 2001, totalling \$584.3 million, included contracts such as the restoration of concrete cylinder pipes along the Sarir-Sirt/Tazerbo-Benghazi conveyance lines in Libya; additional scope of work for Sincor's heavy oil complex in Venezuela; the final design and execution of two waste water pumping stations, treatment plant and connecting pipelines in Carupano, Venezuela; the engineering, procurement and construction of two additional chilled water plants in the United Arab Emirates; the engineering, procurement and construction contract for water management works in Oued Chiffa, Algeria; the establishment of a pyrite burning sulphuric acid plant in Turkey; the construction of telecommunications towers for the Bell Western project in Canada; and the joint venture contract to provide engineering, procurement, construction and commissioning of a natural gas storage compression facility and associated gas processing equipment for the Stagecoach Gas Storage Project in Tioga County, New York.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BREAKDOWN OF CONCESSIONS BACKLOG AT DECEMBER 31 (IN MILLIONS OF DOLLARS)

	2001	2000
FACILITIES AND OPERATIONS MANAGEMENT	\$ 1,149.6	\$ 1,238.1
SNC TEC	554.1	623.2
HIGHWAY 407	511.8	403.6
POSTAL CONCESSION (LEBANON)	0.0	157.0
OTHER	6.8	18.3
TOTAL CONCESSIONS	\$ 2,222.3	\$ 2,440.2

Concessions backlog was \$2,222.3 million in 2001 compared with \$2,440.2 million in 2000, mainly due to the sale of the Company's interests in a postal concession in Lebanon. The facilities and operations management segment was awarded several major long-term contracts in the last three years. Its backlog may decline prior to signing new long-term contracts which are not usually renewed before the last year of the contract. In 2002, the Company expects this segment to generate about the same level of revenues and profitability as 2001.

Approximately 45% of the Company's total backlog is expected to be recognized as revenues in 2002. Revenue backlog is expected to increase in 2002 with opportunities in various regions. Revenue backlog reflects only contract awards that are considered firm, and is thus an indication of future revenues. However, there can be no assurance that cancellations or scope adjustments will not occur, or when revenues and earnings from such backlog will be realized.

There are other risk factors and uncertainties relating to its activities that may affect the Company. These include potential cost overruns on fixed or maximum price contracts, contract performance risk, legal claims, changes in political conditions and foreign currency rate fluctuations. The Company's continued commitment to sound risk management practices when underwriting and undertaking contracts includes technical risk assessment; rigorous drafting and legal review of contracts; applying stringent cost and schedule control of projects; reviewing project forecasts to complete on a regular basis; structuring positive cash flow arrangements on projects; hedging currency rate fluctuations; securing project insurance; obtaining third party guarantees and other risk mitigating measures. Maintaining comprehensive insurance coverage for various aspects of its business and operations is an important element in the risk management process. The Company elects, at times, to retain a portion of losses that may occur by applying selective self-insurance practices and professionally managing such retention in its regulated captive insurance company.

OPERATING RESULTS BY SEGMENT

REVENUES BY OPERATING SEGMENT (EXCLUDING HIGHWAY 407) (IN THOUSANDS OF DOLLARS)

	2001	2000
INFRASTRUCTURE	\$ 480,177	\$ 374,256
CHEMICALS AND PETROLEUM	420,661	201,819
POWER	303,182	187,134
MINING AND METALLURGY	143,156	250,136
FACILITIES AND OPERATIONS MANAGEMENT	558,315	347,361
DEFENCE	211,355	208,021
ALL OTHER	166,313	150,732
TOTAL REVENUES	\$ 2,283,159	\$ 1,719,459

INFRASTRUCTURE

As expected, infrastructure revenues grew over last year, totalling \$480.2 million in 2001, compared with \$374.3 million in 2000. The 28.3% increase was mainly due to higher activity in certain major ongoing projects such as phase I of the Tabreed National Central Cooling Co. district cooling systems in the United Arab Emirates and the Cojedes water management project in Venezuela, as well as the deck replacement on the Jacques-Cartier Bridge in Canada combined with volume generated by 2001 contract awards such as the Bell Western telecommunications tower construction project in Canada and the Oued Chiffa EPC contract for water management works in Algeria. Also contributing to the revenues in 2001 was continued work on the Highway 407 East Partial and West Extensions which were opened to traffic in the summer of 2001, and on the SkyTrain trackwork project in Vancouver, which is nearing completion. The 2001 operating income of \$27.6 million, which is comparable with the \$31.0 million in 2000, reflects the early stage of contracts awarded in the second half of 2000 and early 2001 and lower margins on certain ongoing projects, partially offset by a favourable settlement on a lump-sum turnkey project. Also, marketing and proposal efforts increased in 2001 as the Company positions itself to benefit from the global trend toward the privatization and outsourcing of public infrastructure, which continues to provide Packages and Concessions opportunities, mainly in roads, highways and bridges, as well as in mass transit and water-related projects.

The Company expects 2002 infrastructure revenues to be in line with 2001 based on the current backlog and opportunities inside and outside Canada.

CHEMICALS AND PETROLEUM

Revenues from chemicals and petroleum more than doubled in 2001, totalling \$420.7 million compared with \$201.8 million in 2000. The expected increase in revenues was mainly due to the higher level of activity in the design/build contract for a purified terephthalic acid (PTA) plant in Quebec, combined with continued activity in Alberta relating to oil sands projects such as the Syncrude UE-1, and in Venezuela with Sincor heavy oil projects. New activity generated by the acquisition of Titan Projects Ltd. of Alberta, a company specializing in gas processing and SAGD (steam-assisted gravity drainage) technology, also contributed to the higher revenues, as did new awards such as the front-end engineering and design for the Alma platform in the Sable Offshore Energy Inc. gas field, offshore Nova Scotia; the EPC contract for a natural gas storage compression facility with the Stagecoach joint venture in the US; and a lump-sum turnkey EPC contract with Eti Holding S.A. for a pyrite burning sulphuric acid plant in Turkey. Reflecting the increase in volume and the lower proportionate increase of overhead costs, the operating income for 2001 was \$32.5 million compared with \$11.1 million in 2000.

The outlook is positive for the chemicals and petroleum segment as oil prices, although lower, are expected to remain at profitable levels to sustain investments in oil sands and heavy oil development projects and as opportunities such as gasoline and diesel fuel sulphur reduction projects are expected to emerge from recent clean fuel regulations in Canada and US. With the EPC contract to build a polytrimethylene terephthalate (PTT) plant in Quebec, awarded early in 2002, coupled with continued activity in oil sands, heavy oil, gas processing and offshore projects, as well as several opportunities inside and outside Canada, the Company expects continued growth for the chemicals and petroleum segment in 2002.

POWER

Power revenues increased to \$303.2 million in 2001, up more than 60% compared with \$187.1 million in 2000. Major contributors to the revenue increase were continued activity in ongoing projects such as the Chamera II hydroelectric development project in India; the Qinshan 2 nuclear plant in China; the Queen Elizabeth station in Saskatchewan; the Omushkego Ishkotayo transmission line along the western coast of James Bay, as well as activity in projects awarded late in 2000 and early 2001, such as the DMS-PEA electrical distribution management system in Thailand, and the joint venture contract to restart a nuclear power plant in Ontario. New awards in 2001 also included a project for the Southeastern Europe Electrical System, Technical Support (SEETEC) to improve the management, delivery and rational use of electricity in an area covering nine Balkan countries. Operating income totalled \$15.6 million in 2001 compared with \$6.5 million in 2000, reflecting the increase in activity.

The Company has taken a 50%-ownership in a new consortium, AltaLink, which has signed an agreement to acquire the transmission business of TransAlta, an Alberta company responsible for almost 60% of the province's electrical transmission requirements. This transaction is subject to regulatory approval, expected by the first half of 2002. As a key part of the transaction, the Company will integrate TransAlta's transmission project team into its existing power group, enhancing the Company's recognized expertise. The group will provide engineering services for the maintenance of existing installations, and for the development of new transmission lines.

Opportunities in the transmission business combined with various opportunities for power generation and distribution projects inside and outside Canada, provide a solid base for continued growth in the power segment in 2002.

MINING AND METALLURGY

With the completion of several major projects in 2000, mining and metallurgy revenues declined, as expected, reaching \$143.2 million in 2001 compared with \$250.1 million in 2000. Major contributors to revenues in 2001 were the Diavik diamond mine project in northern Canada, the Bulyanhulu gold mine in Tanzania, the Altonorte copper smelter upgrade and modernization in Chile and the Skorpion zinc mine in Namibia, coupled with new awards such as Mozal 2, an engineering, procurement, construction, management (EPCM) project to expand the recently completed Mozal 1 aluminum smelter near Maputo, Mozambique. Also awarded in 2001 was the basic engineering for a gold project in Romania, and an EPCM contract to revamp an existing smelter for Pechiney Netherlands N.V., which reflects the new industry trend towards increasing the capacity of existing plants and equipment modernization. Reflecting lower revenues, operating income was \$7.4 million in 2001 compared with \$21.3 million in 2000, which included favourable margins on completion of certain major projects.

Although they are expected to improve in 2002, the persistent weakness of commodity prices in 2001 induced businesses to postpone their expansion investments until the expected turnaround in prices occurs. With this backdrop and the segment's low backlog level entering 2002, the Company does not expect growth in the mining and metallurgy segment for 2002.

FACILITIES AND OPERATIONS MANAGEMENT

Facilities and operations management revenues were \$558.3 million in 2001 compared with \$347.4 million in 2000, mainly due to the first full-year effect of the acquisition, in May 2000, of the remaining 50% interest in ProFac, coupled with higher volume on ongoing contracts for Ontario Realty Corporation, Canada Post Corporation and Bell Canada. The operating income was \$12.6 million in 2001, compared with \$6.6 million in 2000, reflecting the increase in activities.

A solid backlog entering 2002, combined with various business opportunities inside and outside Canada, provide the basis for continued profitability in the facilities and operations management segment in 2002.

DEFENCE

As expected, Defence revenues totalling \$211.4 million in 2001 were in line with 2000. SNC TEC, which accounts for most of the revenues in this segment, supplies the Canadian Armed Forces with the bulk of their ammunition requirements under a preferred supplier status arrangement. Revenues in 2001 were mainly generated by existing contracts with the Canadian Government as well as continued activities in international markets, which included an increased volume in the US. Operating income of \$12.4 million was in line with 2000.

In December 2001, SNC TEC acquired, through a newly formed wholly-owned subsidiary (EXPRO TEC), certain assets of EXPRO Chemical Products Inc., a producer of an extruded propellant used in commercial and military products.

SNC TEC's operational efficiency, resulting from cost reduction and containment initiatives taken during the past several years, provides the basis for product competitiveness and is a keystone supporting its efforts to further develop the significant inroads made in recent years in the United States, the world's largest defence market, which is in line with SNC TEC's strategy to increase its market share in international markets.

With the EXPRO TEC product line and new market opportunities arising from this acquisition, combined with SNC TEC's stable contribution over the years, the Company expects the performance of the defence segment to increase in 2002.

ALL OTHER

All Other includes activities in pharmaceuticals and biotechnology, agrifood, pulp and paper, as well as other industrial plants and telecommunications. Revenues in 2001 totalled \$166.3 million compared with \$150.7 million in 2000, mainly due to increased contributions from the pharmaceuticals and industrial plants sectors. Operating income for 2001 was \$0.4 million compared with an operating loss of \$0.8 million in 2000 reflecting, in 2001, the non-recurrence of LibanPost's losses as the Company sold its interest in this postal concession as well as the settlement of an insurance claim which were mainly offset by the underperformance of the Spectra Telecom joint venture.

Also included in this segment are the Company's investments in companies such as Gazmont, which is involved in the process of biogas recovery for resale as energy; the West End Dam, a mini-power generation facility in New York State; and a 25%-participation in Expertech, a preferred supplier and subsidiary of Bell Canada active in the provisioning of wireline telecommunications networks.

In 2001, the Company has taken a 50%-ownership interest in a new consortium, AltaLink, which has signed an agreement to acquire TransAlta's transmission business in Alberta, Canada. Also in 2001, the Company has taken a 50%-equity participation in the Murraylink build-own-operate project for the installation of an interconnector between the electricity transmission grids of the Australian states of Victoria and South Australia.

With positive contributions expected from the pharmaceuticals and agrifood sectors and from its equity investments along with the non-recurrence of underperformances of certain activities, the Company expects the performance of the "All Other" segment to improve in 2002.

HIGHWAY 407

The following analysis highlights the operating results of the Company's participation in Highway 407. In 1999, the Company invested \$175 million in common shares of 407 International Inc., representing a 26.92% (22.58% fully diluted) equity participation. On May 5, 1999, the Company and its partner, through 407 International Inc., acquired from the Government of Ontario, all of the issued and outstanding shares of 407 ETR Concession Company Limited, which operates, maintains and manages highway 407, a fully electronic toll highway in the Greater Toronto area. Highway 407 consists of three segments: the 68-kilometre highway 407 Central, the 15-kilometre highway 407 East Partial Extension and the 25-kilometre West Extension. Highway 407 Central has been open and operating since June 7, 1997. Highway 407 East Partial and West Extensions ("Extensions") were constructed and fully opened to traffic on August 30 and July 30, 2001, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PROPORTIONATE SHARE (26.92%) OF HIGHWAY 407 RESULTS (IN THOUSANDS OF DOLLARS)

	2001	2000
REVENUES (CONCESSIONS)	\$ 65,706	\$ 51,017
INCOME BEFORE INTEREST AND TAXES	34,109	24,406
INTEREST EXPENSE AND CAPITAL TAX	(58,487)	(45,623)
LOSS BEFORE INCOME TAXES	(24,378)	(21,217)
INCOME TAXES	(1,615)	(2,288)
NET LOSS, BEFORE CONSOLIDATION ELIMINATIONS	(25,993)	(23,505)
CONSOLIDATION ELIMINATIONS	(6,755)	(5,698)
NET LOSS, NET OF CONSOLIDATION ELIMINATIONS	\$ (32,748)	\$ (29,203)

The Company's proportionate share of revenues from Highway 407 for the year ended December 31, 2001 increased by 28.8% to \$65.7 million compared with \$51.0 million in 2000, reflecting toll rate increases, changes in tolling structure and higher traffic, as well as the opening of the Extensions in the summer of 2001. The average workday number of trips of 285,060 was 8.1% higher than 2000, and surpassed the 267,200 base case forecast for 2001 established, at the time of acquisition, by Halcrow Fox, an international transportation planning consultant and transportation infrastructure expert.

The Company's proportionate share of the Highway 407 net accounting loss before consolidation eliminations was \$26.0 million in 2001, compared with \$23.5 million in 2000. The higher net accounting loss for 2001 was expected as Highway 407 ceased to capitalize interest expenses related to the construction of the Extensions once these were opened to traffic. Also, contributing to the increase in net accounting loss were financing charges related to a term credit facility that was refinanced with subordinated bonds during the year.

Effective January 2002, the holder of 407 International Inc.'s subordinated convertible debenture ("Debenture") entered into an agreement with 407 International Inc. and its shareholders, whereby the holder committed to convert the entire principal amount of the Debenture into common shares of 407 International Inc. on May 6, 2004 or earlier, subject to certain conditions. The holder of the Debenture, by virtue of this agreement, will no longer be entitled to enforce its rights to receive cash, and forfeits all accrued interest under the Debenture and will obtain rights similar to that of a common shareholder as of the effective date. This undertaking to convert into common shares is considered to be an immediate conversion of the Debenture, and effective January 1, 2002, will be accounted for as such, thereby diluting the Company's participation in the common shares of 407 International Inc. to 22.58% from 26.92%, and resulting in an after-tax gain of approximately \$10 million, which will be recorded in the first quarter of 2002. Including the effect of the Company's equity participation diluted to 22.58% in 2002 combined with the gain resulting from such dilution, the Company expects its share of the net accounting loss to be lower in 2002 compared with 2001.

As noted in prior years, the Company does not anticipate an accounting profit from its participation for the initial years of the 99-year concession. This is not unusual since, highway concessions incur net accounting losses in the initial years, mainly due to the high levels of financing costs and depreciation expense. Positive cash flows generated from Highway 407 and the refinancing of the original debt have enabled 407 International Inc. to pay a dividend and distribution to its equity holders, in February 2002, despite net accounting losses in the initial years.

The underlying value of the Company's investment in Highway 407 was highlighted with the announcement of an indirect acquisition of interest by a third party. Based on this transaction value, the Company's stake in Highway 407 corresponds to nearly four times its initial investment of \$175.0 million.

INCOME TAXES

Given the new accounting recommendations in 2002 relating to the non-amortization approach for goodwill (refer to Note 1H) of the consolidated financial statements), the Company has decided to present "amortization of goodwill (net of income taxes)" on a separate line in the consolidated financial statements for 2001 and 2000. The following table shows the effective income tax rates calculated on the basis of net income before taxes and net income before taxes and amortization of goodwill (net of income taxes).

MANAGEMENT'S DISCUSSION AND ANALYSIS

EFFECTIVE INCOME TAX RATES	2001		2000	
	Excluding Highway 407	Consolidated	Excluding Highway 407	Consolidated
BASED ON NET INCOME BEFORE TAXES	35.0%	53.0%	34.0%	52.8%
BASED ON NET INCOME BEFORE TAXES AND AMORTIZATION OF GOODWILL	30.4%	42.4%	30.2%	43.8%

Under the new presentation, the Company's effective tax rate, excluding Highway 407 and excluding amortization of goodwill, was 30.4% in 2001 compared with 30.2% in 2000. The Company expects the 2002 effective tax rate, excluding Highway 407, to be in line with 2001.

The consolidated effective tax rate, excluding amortization of goodwill was 42.4% in 2001 compared with 43.8% in 2000.

FINANCIAL POSITION AND RESOURCES

Cash, cash equivalents and short term investments, excluding Highway 407, totalled \$301.6 million in 2001 compared with \$242.7 million in 2000. The change in cash position over the past year was largely due to positive cash flows from operations before net change in non-cash working capital items and to the issuance of common shares partially offset by working capital requirements, capital expenditures and business acquisitions, as well as dividends paid to shareholders. Continued earnings growth was the main contributor to the cash generated from operations before net change in non-cash working capital items, excluding Highway 407, of \$112.1 million in 2001 (\$90.3 million in 2000), or \$2.34 per share (\$1.95 per share in 2000).

Excluding Highway 407, cash used for investing activities was \$60.1 million in 2001 compared with \$35.9 million in 2000, which included a repayment of \$25.8 million, from Highway 407 as a result of the refinancing of the Sponsors' Subordinated Credit Facilities. Cash used for investing activities was primarily for the acquisition of businesses, for a total cash consideration of \$17.6 million (\$47.1 million in 2000) and acquisitions of property, plant and equipment of \$35.0 million (\$28.1 million in 2000). As in 2000, most of the property, plant and equipment acquisitions were for information technology, representing about 40.0%.

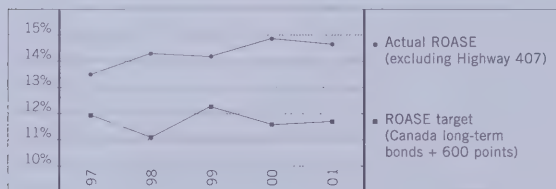
Financing activities, excluding Highway 407, generated cash of \$67.4 million in 2001 compared with \$77.6 million in 2000. In 2001, the Company completed an offering to the public of three million common shares at \$22 per share for net proceeds of \$63.2 million. Reflecting the 2001 share issuance and the 2000 issuance of \$105 million of debentures, the Company increased its capital base (i.e. long-term debt, excluding Highway 407, and shareholders' equity) by 48.9% over a two-year period to \$590.7 million at the end of 2001 compared with \$396.6 million at the end of 1999 as one of the Company's strategies is to increase its concession portfolio. In line with increasing its capital base, the Company repurchased, under the normal course issuer bid, fewer shares in 2001 (0.4 million shares for \$6.4 million) than in 2000 (1.2 million shares for \$15.0 million). Based on the 2001 year-end discretionary liquidity level and considering the foreseeable use of cash for acquisition of businesses and concessions, the Company intends to continue to repurchase its shares and proposes to introduce another one-year normal course issuer bid program when the current program expires in May 2002. A \$0.07 dividend per share was declared for the fourth quarter of 2000 and in each of the first three quarters in 2001, resulting in a cash outflow of \$13.4 million.

The pro rata share of cash flows from operations before net change in non-cash working capital items for Highway 407, before consolidations eliminations, was \$12.0 million in 2001, compared with \$5.3 million in 2000. The Company's pro rata share of Highway 407's cash and cash equivalents was \$21.7 million at the end of 2001 compared with \$13.1 million at the end of 2000, representing an \$8.6 million increase during 2001.

The Company has access to \$333.9 million of long-term bank credit facilities. As at December 31, 2001, \$201.5 million of the Company's credit facilities remained unused, with the balance of \$132.4 million used for the issuance of letters of credit. In addition, the Company has access to other lines of credit to provide guarantees required in the normal course of its operations.

Working capital as at December 31, 2001 was \$241.4 million, an increase of \$116.4 million from last year. The current ratio as at December 31, 2001 was 1.29 compared with 1.17 at the end of 2000. The Company targets its recourse debt to capital ratio at 30:70. As at December 31, 2001, the Company's recourse debt to capital ratio was 19:81 reflecting the increase in its capital base over the last two years. On October 31, 2000, Standard & Poor's and Canadian Bond Rating Service (CBRS) announced that they had combined operations in Canada. Consequently, Standards & Poor's harmonized the ratings assigned by CBRS to Standard & Poor's worldwide rating framework. Under such process, in 2001 Standard & Poor's rated SNC-Lavalin Group Inc. a triple 'B' for corporate credit and unsecured long-term debt, in line with the triple 'B' Debentures rating on SNC-Lavalin Group Inc. established by Dominion Bond Rating Service Limited.

The Company has cash and short-term investments as well as access to sufficient sources of funds and credit facilities to meet its expected operating, investing and financing plans, including financing of business and concession acquisitions, share repurchase plan and business growth. In terms of the shareholders' capital adequacy, the Company seeks to maintain an adequate balance between ensuring sufficient capital for financing net asset positions, maintaining satisfactory bank credit lines and capacity to absorb project net retained risks on the one hand and to optimize ROASE on the other.



In 2001, ROASE, excluding Highway 407, of 14.8% surpassed by some 300 basis points, the Company's target of long-term Canada Bond Yield plus 600 basis points. In 2002, ROASE, excluding Highway 407, is expected to continue its last years' trend of surpassing the Company's target. Consolidated ROASE was 6.6% in 2001 compared with 6.7% in 2000.

ACCOUNTING CHANGES IN 2001

The Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) with respect to "Business Combinations" and "Goodwill and Other Intangible Assets". The new recommendations relating to "Goodwill and Other Intangible Assets" require the adoption of the non-amortization approach for goodwill and other intangibles with indefinite life. Refer to Note 1H) of the consolidated financial statements. The following table presents the adjusted net income for 2001 and 2000 had there been no amortization of goodwill:

ADJUSTED NET INCOME (IN THOUSANDS OF DOLLARS)	2001		2000	
	Excluding Highway 407	Consolidated	Excluding Highway 407	Consolidated
NET INCOME AS REPORTED	\$ 59,194	\$ 26,446	\$ 53,068	\$ 23,865
ADD: AMORTIZATION OF GOODWILL (NET OF INCOME TAXES)	14,611	14,611	10,508	10,508
NET INCOME - ADJUSTED	\$ 73,805	\$ 41,057	\$ 63,576	\$ 34,373

Also in 2001, the Company retroactively adopted the new CICA recommendations with respect to "Earnings per share". These new recommendations require that the treasury stock method be used in calculating diluted earnings per share as explained in Note 1N) to the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of SNC-Lavalin Group Inc. (the Company) and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. When alternative accounting methods exist, management has chosen those it considers most appropriate for the circumstances.

The significant accounting policies used are described in note 1 to the consolidated financial statements. Certain amounts in the financial statements are based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

The Company maintains systems of internal accounting and administrative controls which are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors, and all of its members are outside directors. The Audit Committee meets periodically with management, as well as with the internal and external auditors, to discuss internal controls, accounting, auditing and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the consolidated financial statements and the external auditors' report. The Audit Committee reports its findings to the Board of Directors for consideration when approving the consolidated financial statements for issuance to the shareholders. The Audit Committee also considers, for review by the Board of Directors and approval by the shareholders, the engagement or reappointment of the external auditors.

The consolidated financial statements have been audited, on behalf of the shareholders, by Ernst & Young LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. The external auditors have full and free access to the Audit Committee.



Jacques Lamarre
President and Chief Executive Officer



Gilles Laramée
Executive Vice-President, Finance

Montreal, Canada
February 8, 2002

AUDITORS' REPORT

To the shareholders of SNC-Lavalin Group Inc.

We have audited the consolidated balance sheets of SNC-Lavalin Group Inc. as at December 31, 2001 and 2000 and the consolidated statements of income, cash flows and shareholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Montreal, Canada
February 8, 2002



Ernst & Young LLP
Chartered Accountants

CONSOLIDATED BALANCE SHEETS

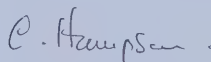
AT DECEMBER 31 (IN THOUSANDS OF DOLLARS)	2001	2000
ASSETS		
CURRENT		
CASH AND CASH EQUIVALENTS	\$ 301,934	\$ 238,085
SHORT-TERM INVESTMENTS	21,303	17,687
ACCOUNTS RECEIVABLE	437,360	429,755
CONTRACTS IN PROGRESS AND INVENTORIES (NOTE 4)	300,174	168,591
	1,060,771	854,118
PROPERTY, PLANT AND EQUIPMENT (NOTE 5)	1,196,900	1,131,438
OTHER ASSETS (NOTE 6)	232,946	241,672
	\$ 2,490,617	\$ 2,227,228
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
ACCOUNTS PAYABLE AND ACCRUED CHARGES	\$ 570,341	\$ 476,727
DOWNPAYMENTS ON CONTRACTS	168,638	145,840
DEFERRED REVENUES	80,370	106,523
	819,349	729,090
LONG-TERM DEBT (NOTE 7)	1,175,622	1,092,882
OTHER LIABILITIES (NOTE 8)	52,682	47,101
	2,047,653	1,869,073
SHAREHOLDERS' EQUITY	442,964	358,155
	\$ 2,490,617	\$ 2,227,228

See accompanying notes to consolidated financial statements.

ON BEHALF OF THE BOARD:



Jacques Lamarre
Director



Christopher Hampson
Director

CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31
(IN THOUSANDS OF DOLLARS, EXCEPT PER-SHARE AMOUNTS)

	2001	2000
REVENUES	\$ 2,326,830	\$ 1,740,406
GROSS MARGIN	\$ 373,417	\$ 310,780
ADMINISTRATIVE, MARKETING AND OTHER EXPENSES (EXCLUDING AMORTIZATION OF GOODWILL)	234,347	202,485
INCOME BEFORE INTEREST, TAXES AND AMORTIZATION OF GOODWILL	139,070	108,295
INTEREST AND CAPITAL TAXES	67,799	47,101
INCOME BEFORE INCOME TAXES AND AMORTIZATION OF GOODWILL	71,271	61,194
INCOME TAXES (NOTE 11)	30,214	26,821
INCOME BEFORE AMORTIZATION OF GOODWILL	41,057	34,373
AMORTIZATION OF GOODWILL (NET OF INCOME TAXES) (NOTE 1H)	14,611	10,508
NET INCOME	\$ 26,446	\$ 23,865
EARNINGS PER SHARE (NOTE 1N)		
BASIC	\$ 0.55	\$ 0.51
DILUTED	\$ 0.54	\$ 0.51
WEIGHTED AVERAGE NUMBER OF SHARES – BASIC (IN THOUSANDS)	47,914	46,350

See accompanying notes to consolidated financial statements.

NOTE – ADDITIONAL INFORMATION

NET INCOME (LOSS)		
EXCLUDING HIGHWAY 407	\$ 59,194	\$ 53,068
FROM HIGHWAY 407	(32,748)	(29,203)
	\$ 26,446	\$ 23,865
BASIC EARNINGS PER SHARE (NOTE 1N)		
EXCLUDING HIGHWAY 407	\$ 1.24	\$ 1.14
FROM HIGHWAY 407	(0.69)	(0.63)
	\$ 0.55	\$ 0.51
DILUTED EARNINGS PER SHARE (NOTE 1N)		
EXCLUDING HIGHWAY 407	\$ 1.21	\$ 1.14
FROM HIGHWAY 407	(0.67)	(0.63)
	\$ 0.54	\$ 0.51

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31 (IN THOUSANDS OF DOLLARS, EXCEPT PER-SHARE AMOUNTS)	2001	2000
OPERATING ACTIVITIES		
NET INCOME	\$ 26,446	\$ 23,865
ITEMS NOT INVOLVING A MOVEMENT OF CASH:		
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	50,453	43,133
AMORTIZATION OF GOODWILL (NET OF INCOME TAXES)	14,611	10,508
FUTURE INCOME TAXES	3,620	(7,677)
ACCRUED INTEREST	22,906	17,210
OTHER	(4,351)	(5)
	113,685	87,034
NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS	(54,674)	11,167
	59,011	98,201
INVESTING ACTIVITIES		
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(102,564)	(113,995)
ACQUISITION OF BUSINESSES (NOTE 2)	(17,583)	(47,473)
SUBORDINATED LOAN-HIGHWAY 407	—	25,790
OTHER	(7,602)	3,462
	(127,749)	(132,216)
FINANCING ACTIVITIES		
REPAYMENT OF LONG-TERM DEBT	(117,614)	(260,018)
INCREASE IN LONG-TERM DEBT	176,836	493,281
RESTRICTED CASH	4,279	(24,070)
NET PROCEEDS FROM ISSUANCE OF SHARES	78,138	2,510
REDEMPTION OF SHARES (NOTE 9C)	(6,376)	(15,013)
DIVIDENDS	(13,399)	(11,120)
OTHER	10,723	(11,146)
	132,587	174,424
NET INCREASE IN CASH AND CASH EQUIVALENTS	63,849	140,409
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	238,085	97,676
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 301,934	\$ 238,085
CASH FLOW PER SHARE (NOTE 1N)		
BASIC	\$ 2.37	\$ 1.88
DILUTED	\$ 2.33	\$ 1.86

See accompanying notes to consolidated financial statements.

NOTE – ADDITIONAL INFORMATION

BASIC CASH FLOW PER SHARE (NOTE 1N)		
EXCLUDING HIGHWAY 407	\$ 2.34	\$ 1.95
FROM HIGHWAY 407	0.03	(0.07)
	\$ 2.37	\$ 1.88
DILUTED CASH FLOW PER SHARE (NOTE 1N)		
EXCLUDING HIGHWAY 407	\$ 2.30	\$ 1.93
FROM HIGHWAY 407	0.03	(0.07)
	\$ 2.33	\$ 1.86
CASH PAID FOR INTEREST	\$ 57,813	\$ 41,403
CASH PAID FOR INCOME TAXES	\$ 36,851	\$ 32,051

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(IN THOUSANDS)	Shares	Share Capital Amount	Retained Earnings	Total Shareholders' Equity
BALANCE AS AT DECEMBER 31, 1999	46,883	\$ 241,513	\$ 116,400	\$ 357,913
NET INCOME	—	—	23,865	23,865
DIVIDENDS	—	—	(11,120)	(11,120)
SHARES ISSUED UNDER STOCK OPTION PLAN	255	2,510	—	2,510
SHARES REDEEMED AND CANCELLED (NOTE 9C)	(1,214)	(6,286)	(8,727)	(15,013)
BALANCE AS AT DECEMBER 31, 2000	45,924	237,737	120,418	358,155
NET INCOME	—	—	26,446	26,446
DIVIDENDS	—	—	(13,399)	(13,399)
SHARES ISSUED IN PUBLIC OFFERING	3,000	66,000	—	66,000
ISSUANCE COSTS FOR COMMON SHARES (NET OF INCOME TAXES)	—	—	(1,770)	(1,770)
SHARES ISSUED UNDER STOCK OPTION PLAN	1,280	13,908	—	13,908
SHARES REDEEMED AND CANCELLED (NOTE 9C)	(391)	(2,474)	(3,902)	(6,376)
BALANCE AS AT DECEMBER 31, 2001	49,813	\$ 315,171	\$ 127,793	\$ 442,964

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

(ALL DOLLAR FIGURES IN TABLES ARE EXPRESSED IN THOUSANDS, EXCEPT PER-SHARE AMOUNTS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) PRINCIPLES OF CONSOLIDATION AND PRESENTATION

The consolidated financial statements of SNC-Lavalin Group Inc. (the "Company"), incorporated under the Canada Business Corporations Act, are prepared in accordance with Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of the Company, its subsidiaries and its pro rata share of each of the assets, liabilities, revenues and expenses of its joint-ventures. Equity investments include investments in companies subject to significant influence, which are accounted for using the equity method.

The Company's 26.92% proportionate share of the results of 407 International Inc., after consolidation eliminations, is referred to as "Highway 407". For purposes of comparison and to disclose the financial impact of Highway 407, the Company's consolidated financial statements provide financial disclosure relating to Highway 407 as well as the results of total activities excluding Highway 407.

B) USE OF ESTIMATES

The preparation of financial statements of the Company in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company has a history of making dependable estimates; however, current estimates may be revised as additional information becomes available.

C) TRANSLATION OF FOREIGN CURRENCIES

The accounts of the Company and its subsidiaries (including its integrated foreign subsidiaries) denominated in foreign currencies have been translated into Canadian dollars as follows:

- Monetary assets and liabilities, using the exchange rate prevailing at the balance sheet date,
- Non-monetary assets and liabilities, using the exchange rate prevailing at the transaction date,
- Revenues and expenses, using average monthly exchange rates during the year, except for depreciation and amortization, which are translated at the exchange rate prevailing when the related assets were acquired.

The Company enters into forward contracts in order to hedge its exposure to fluctuations in foreign exchange rates. Gains and losses on forward foreign exchange contracts related to future transactions are charged to income on a basis that corresponds with the recognition of the related future foreign currency transactions.

D) REVENUE RECOGNITION

Revenues are generated from Services, Packages and Concessions activities.

- Services and Packages

Services revenues are generated by providing professional services, which include engineering, feasibility studies, planning, detailed design, contractor evaluation and selection, construction management and commissioning.

Packages revenues are mainly generated from fixed price contracts in which the Company also undertakes procurement and/or construction activities.

Revenues on Services and Packages contracts are derived primarily from cost-plus reimbursable contracts and fixed price contracts. On cost-plus reimbursable contracts, revenues are recognized as costs are incurred, and include applicable fees earned as services are provided. On fixed price contracts, revenues are recorded on the percentage-of-completion basis. The percentage of completion is determined by dividing the cost incurred as at the balance sheet date by the total of incurred and anticipated costs for completing a contract.

The value of goods and services purchased by the Company, when acting as purchasing agent for a client, is not recorded as revenue.

All known or anticipated losses are provided for in their entirety without regard to the percentage of completion. Estimated revenues on contracts include future revenues from claims when such additional revenues can be reliably established. The Company has numerous contracts that are in various stages of completion. Estimates are required to determine the appropriate anticipated cost and revenue.

- Concessions

The Company's activities in its investments in companies arising from privatization, public-private partnerships, long-term outsourcing and other concession-type arrangements are reported as "Concessions" activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues from Concessions activities are recorded based on units delivered, resources used or services rendered. For contracts related to the supply of ammunition, in the Company's subsidiary, SNC Technologies Inc., revenues are recorded on the basis of the contract value according to the percentage-of-completion method. Toll revenues, relating to Highway 407, are recorded upon computation of tolls resulting from a customer's utilization of the highway.

E) CASH AND CASH EQUIVALENTS, SHORT-TERM INVESTMENTS

Cash equivalents have been restricted to investments that are readily convertible into a known amount of cash and which have an original maturity of three months or less. Short-term, liquid investments with original maturities of more than three months are included in short-term investments. Short-term investments are valued at the lower of cost and market values.

F) CONTRACTS IN PROGRESS AND INVENTORIES

- Contracts in progress

Contracts in progress relate to revenues recognized on contracts in excess of amounts billed and are recorded at their estimated realizable value based on the percentage-of-completion method.

- Inventories

Inventories relate principally to contracts for the manufacturing of ammunition. For these contracts, work in progress and finished products are recorded at their estimated realizable value based on a percentage-of-completion method.

G) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost. Depreciation and amortization charges are recorded at rates set to charge operations with the cost of depreciable assets over their estimated useful lives, as follows:

- For property, plant and equipment excluding Highway 407

Buildings and surface installations, using the straight-line method over a period of ten to forty years, or the diminishing balance method at rates varying from 5% to 7%.

Machinery, office furniture and computer equipment, using the straight-line method over periods from two to fifteen years or the diminishing balance method at rates varying from 20% to 30%.

- For Highway 407 property, plant and equipment

Toll highway and concession right are amortized on a usage basis using projected revenues over forty years.

H) BUSINESS COMBINATIONS, GOODWILL AND OTHER INTANGIBLE ASSETS

The Company adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") with respect to "Business Combinations". Under these recommendations, business combinations initiated after June 30, 2001 are required to be accounted for using the purchase method of accounting, thereby no longer permitting the pooling-of-interests method of accounting. These recommendations also broaden criteria for recording other intangible assets separately from goodwill. Goodwill represents the excess of the cost of acquired enterprises over the net of the amounts assigned to assets acquired and liabilities assumed at the date of acquisition. Concurrently, the Company also adopted the new recommendations of the CICA with respect to "Goodwill and Other Intangible Assets". Effective as at July 1, 2001 for business acquisitions initiated after June 30, 2001 and January 1, 2002 for goodwill on business acquisitions initiated prior to July 1, 2001, goodwill will no longer be amortized, but instead will be tested for impairment and, if required, written down and charged to earnings only in the periods in which the recorded value of goodwill exceeds its fair value.

In adopting the new recommendations, the Company will reassess its current goodwill impairment methodology, and any potential transitional impairment losses on goodwill determined will be charged to retained earnings at such date for such unamortized goodwill effective January 1, 2002. Currently, the Company assesses the carrying value of unamortized goodwill existing at each balance sheet date based on an estimate of the undiscounted future cash flow of each business to which the goodwill relates. The amount of impairment loss, if any, is the excess of the carrying value over the estimated net undiscounted cash flows. Goodwill is written down for any impairment in value of the unamortized portion.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I) DEFERRED FINANCING COSTS

Deferred financing costs, which are included in other assets, are amortized using the straight-line method over the term of the related debt. The amortization of these charges is included as part of interest on long-term debt.

J) INCOME TAXES

The Company uses the liability method of accounting for income taxes, which requires the establishment of future tax assets and liabilities, as measured by enacted or substantially enacted tax rates, for all temporary differences caused when the tax bases of assets and liabilities differ from those reported in the financial statements.

K) MARKETING EXPENSES

All costs related to contract proposals are expensed as incurred.

L) RESEARCH AND DEVELOPMENT COSTS

Research and development costs are expensed as incurred, except if the costs are related to the development and setup of new products, processes and systems and there is a reasonable assurance that they will be recovered. All development costs, that are capitalized, included in other assets, are amortized when commercial production begins, using the straight-line method over a period of three to five years. Where permanent impairment occurs, such capitalized costs are written off. The unamortized amounts included in other assets were \$2,712,000 as at December 31, 2001 (2000: \$3,039,000).

M) PENSION PLANS AND OTHER POST-RETIREMENT BENEFITS

All accrued obligations for employee future benefits have been determined using the projected benefit method. In valuing post-retirement benefits as well as cost of pension benefits, the Company uses management's best estimate assumptions except for the discount rate, where the Company uses the current market interest rate available at the measurement date. Current service costs are expensed in the year. In accordance with generally accepted accounting principles, cumulative net actuarial gains and losses in excess of 10% of the greater of the benefit obligation or fair value of plan assets are amortized over the expected average remaining service period of active employees to receive benefits under the plans. For valuing pension plan assets, the Company uses market values.

N) EARNINGS AND CASH FLOW PER SHARE

In 2001, the Company retroactively adopted the new recommendations of the CICA with respect to the calculation of earnings per share. The principles for calculating basic earnings per share are consistent with previous recommendations; however, diluted earnings per share are now calculated using the treasury stock method. Under the treasury stock method, the diluted weighted average number of shares outstanding is calculated as if all dilutive options had been exercised at the later of the beginning of the reporting period or date of issuance, and the proceeds from the exercise of such dilutive options are used to repurchase common shares at the average market price for the period. The new recommendations no longer require an adjustment to net income for imputed interest in calculating diluted earnings per share. The weighted average number of shares used in the calculation of earnings per share are:

(IN THOUSANDS)	2001	2000
WEIGHTED AVERAGE NUMBER OF SHARES - BASIC	47,914	46,350
DILUTIVE EFFECT OF STOCK OPTIONS	938	413
WEIGHTED AVERAGE NUMBER OF SHARES - DILUTED	48,852	46,763

Basic and diluted earnings per share have been determined by dividing the consolidated net income for the year by the basic and diluted weighted average number of shares, respectively.

Basic and diluted cash flow per share have been determined by dividing the cash flows provided by operating activities before net change in non-cash working capital items by the basic and diluted weighted average number of shares, respectively.

The 2000 consolidated diluted net earnings per share and diluted cash flow per share have been restated to reflect the new recommendations, resulting in no change for diluted earnings per share, while diluted cash flow per share increased by \$0.07, to \$1.86 from \$1.79.

2. ACQUISITIONS

During 2001, the Company acquired several businesses for a total cash consideration of \$17.6 million.

On March 9 2000, the Company through its joint venture in ProFac Facilities Management Services Inc. ("ProFac"), acquired all the issued and outstanding shares of Nexacor Realty Management, a leader in facility and operations management services in the telecommunications industry. Thereafter, on May 26, 2000, the Company acquired the remaining 50% interest in ProFac, a leader in outsourced integrated facilities and operations management. The Company concluded the above acquisitions for a total cash consideration of \$39.0 million. The Company also acquired other businesses during 2000 for a total cash consideration of \$8.5 million.

These acquisitions have been accounted for using the purchase method and consolidated from the effective date of acquisition.

The purchase price of these businesses was allocated as follows:

	2001	2000
PROPERTY, PLANT AND EQUIPMENT	\$ 8,851	\$ 20,560
GOODWILL	10,558	55,197
OTHER ASSETS	12,089	51,873
LIABILITIES ASSUMED	(13,915)	(80,157)
	\$ 17,583	\$ 47,473

3. JOINT VENTURE ACTIVITIES

The Company carries out part of its activities through joint ventures. The Company's pro rata share of the assets, liabilities and operations of such joint ventures is summarized by the following financial information:

	2001	2000
BALANCE SHEETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS, SHORT-TERM INVESTMENTS	\$ 114,668	\$ 64,816
OTHER	132,691	128,692
	247,359	193,508
LONG-TERM ASSETS	1,138,397	1,082,392
	\$ 1,385,756	\$ 1,275,900
CURRENT LIABILITIES	\$ 224,009	\$ 156,911
LONG-TERM LIABILITIES	1,045,612	956,604
PRO RATA SHARE OF NET ASSETS OF JOINT VENTURES	116,135	162,385
	\$ 1,385,756	\$ 1,275,900
STATEMENTS OF INCOME		
REVENUES	\$ 549,492	\$ 420,094
INCOME BEFORE INTEREST AND TAXES	\$ 65,627	\$ 17,913
INTEREST AND CAPITAL TAXES	66,116	49,532
INCOME TAXES (BENEFIT)	(684)	2,349
PRO RATA SHARE OF NET INCOME (LOSS) OF JOINT VENTURES	\$ 195	\$ (33,968)
CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES	\$ 109,036	\$ 11,269
INVESTING ACTIVITIES	(72,419)	(117,969)
FINANCING ACTIVITIES	17,159	115,402
PRO RATA SHARE OF CHANGES IN CASH AND CASH EQUIVALENTS OF JOINT VENTURES	\$ 53,776	\$ 8,702

4. CONTRACTS IN PROGRESS AND INVENTORIES

	2001	2000
CONTRACTS IN PROGRESS	\$ 256,168	\$ 120,326
INVENTORIES	44,006	48,265
	<u>\$ 300,174</u>	<u>\$ 168,591</u>

5. PROPERTY, PLANT AND EQUIPMENT

	2001		2000	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
EXCLUDING HIGHWAY 407				
BUILDINGS AND SURFACE INSTALLATIONS	\$ 117,465	\$ 30,060	\$ 110,983	\$ 26,342
MACHINERY	86,144	63,351	76,391	58,666
OFFICE FURNITURE AND COMPUTER EQUIPMENT	204,620	164,827	179,727	134,840
OTHER	34,710	16,447	27,571	15,497
	<u>442,939</u>	<u>274,685</u>	<u>394,672</u>	<u>235,345</u>
HIGHWAY 407				
TOLL HIGHWAY AND CONCESSION RIGHT	982,642	15,144	936,000	8,349
OTHER	73,331	12,183	50,696	6,236
	<u>1,055,973</u>	<u>27,327</u>	<u>986,696</u>	<u>14,585</u>
	1,498,912	\$ 302,012	1,381,368	\$ 249,930
ACCUMULATED DEPRECIATION	302,012		249,930	
NET BOOK VALUE	<u>\$ 1,196,900</u>		<u>\$ 1,131,438</u>	

6. OTHER ASSETS

	2001	2000
EXCLUDING HIGHWAY 407		
EQUITY INVESTMENTS	\$ 44,793	\$ 39,498
GOODWILL	85,991	90,407
OTHER	24,405	23,929
	<u>155,189</u>	<u>153,834</u>
HIGHWAY 407		
RESTRICTED CASH AND DEFERRED FINANCING COSTS	77,757	87,838
	<u>\$ 232,946</u>	<u>\$ 241,672</u>

7. LONG-TERM DEBT

	Effective Interest Rates	Maturing	2001	2000
RECOURSE (TO THE GENERAL CREDIT OF THE COMPANY):				
DEBENTURES	7.82%	2010	\$ 103,902	\$ 103,776
NON-RECOURSE (SECURED ONLY BY SPECIFIC ASSETS):				
HIGHWAY 407				
SENIOR BONDS:				
SERIES 99-A1 TO 99-A3 & 99-A8	6.07 – 6.64%	2006-2039	390,459	386,017
SERIES 99-A4 TO 99-A7	6.70 – 7.01%	2016-2031	160,720	149,729
SERIES 00-A2	6.73%	2039	77,787	72,574
SERIES 00-A3	6.64%	2007	117,029	117,240
JUNIOR BONDS, SERIES 00-B1, MATURITY EXTENDABLE AT BOND HOLDERS OPTION TO 2040, WITH AN INTEREST RATE OF 7.125%				
	7.02%	2010	44,369	44,363
SUBORDINATED BONDS, SERIES 00-C1	8.95%	2007	80,906	80,930
SUBORDINATED TERM CREDIT FACILITY:				
SUBORDINATED BONDS, SERIES 01-C1	6.42%	2004	59,205	—
SUBORDINATED BONDS, SERIES 01-C2	4.52%	2003	55,172	—
NON REVOLVING TERM CREDIT FACILITY	Floating Rates	—	—	51,957
SUBORDINATED CONVERTIBLE DEBENTURE	6.00%	2045	41,614	38,493
OTHER			679	728
COMPANY'S HEADQUARTERS				
SECURED BY A FIRST RANKING HYPOTHEC ON THE BUILDING, INCLUDING A HYPOTHEC UPON ALL RENTS PAYABLE IN RESPECT OF SUCH PROPERTY. A BALANCE OF CAPITAL REPAYMENT OF \$25.4 MILLION IS DUE AT MATURITY.				
	9.39%	2008	36,143	37,377
OTHER	10.52%	2008	10,656	12,765
TOTAL NON-RECOURSE LONG-TERM DEBT			1,074,739	992,173
LESS: PORTION DUE WITHIN ONE YEAR FOR NON-RECOURSE DEBT				
			3,019	3,067
TOTAL LONG-TERM DEBT			\$ 1,175,622	\$ 1,092,882

RECOURSE

REVOLVING CREDIT FACILITIES

The Company has access to committed long-term revolving lines of credit with banks, upon which it may borrow at variable rates not exceeding the prime rate, up to a maximum of \$333,910,000. As at December 31, 2001, \$201,462,000 of these credit lines remained unused, the difference of \$132,448,000 was used for the issuance of letters of credit. Also, the Company has other lines of credit specifically for letters of credit. All the above-mentioned lines of credit are unsecured and subject to negative pledge clauses.

DEBENTURES

During 2000, the Company issued unsecured debentures subject to negative pledge clauses. The face value of the debentures totaling \$105,000,000 are repayable at maturity.

7. LONG-TERM DEBT (CONTINUED)

NON-RECOURSE

HIGHWAY 407

The senior bonds, junior bonds, subordinated bonds and subordinated term credit facility are secured under a Master Trust Indenture (the "Indenture"), which establishes common security and a set of common covenants given by 407 International Inc. for the benefit of all its lenders. The security comprises substantially all of the assets of both 407 International Inc. and of its wholly-owned subsidiaries, which primarily includes 407 ETR Concession Company Limited, including an assignment of future revenues. Pursuant to the Indenture, 407 International Inc. established cash reserves for these bonds.

In addition, the Company has pledged, as security for obligations under the subordinated bonds and subordinated term credit facility, its interest in shares of 407 International Inc. under a Master Security Agreement. This security may be partially released after May 5, 2004, upon meeting certain conditions.

SUBORDINATED CONVERTIBLE DEBENTURE

Effective January 2002, the holder of 407 International Inc.'s subordinated convertible debenture ("Debenture") entered into an agreement with 407 International Inc. and its shareholders, whereby the holder irrevocably agreed to formally convert the entire principal amount of the Debenture into common shares of 407 International Inc. on May 6, 2004 or earlier subject to certain conditions. The holder of the Debenture, by virtue of this agreement, will no longer be entitled to enforce its rights to receive cash, and forfeits all accrued interest under the Debenture and will obtain rights similar to that of a common shareholder as of the effective date.

This undertaking to convert into common shares is considered to be an immediate conversion of the Debenture, and effective January 1, 2002, will be accounted for as such, thereby diluting the Company's participation in the common shares of 407 International Inc. to 22.58% from 26.92%, and resulting in an after-tax gain of approximately \$10 million, which will be recorded in the first quarter of 2002.

LONG-TERM DEBT IS DUE AS FOLLOWS:

	2002	2003	2004	2005	2006	Thereafter
EXCLUDING HIGHWAY 407	\$ 2,979	\$ 2,928	\$ 3,231	\$ 3,565	\$ 3,189	\$ 134,809
HIGHWAY 407	40	55,213	59,246	1,584	1,677	910,180
	\$ 3,019	\$ 58,141	\$ 62,477	\$ 5,149	\$ 4,866	\$ 1,044,989

8. OTHER LIABILITIES

	2001	2000
EXCLUDING HIGHWAY 407		
EMPLOYEE FUTURE BENEFITS	\$ 24,213	\$ 19,842
FUTURE INCOME TAX LIABILITY (NOTE 11)	—	2,340
OTHER	17,871	15,613
	42,084	37,795
HIGHWAY 407		
DEFERRED GAINS ON INTEREST RATE HEDGING	10,598	9,306
	\$ 52,682	\$ 47,101

9. SHARE CAPITAL

A) AUTHORIZED

- Unlimited number of common shares
- Unlimited number of first preferred shares and second preferred shares

The Board of Directors is authorized to issue such preferred shares in one or more series and to establish the number of shares in each series and the conditions attaching thereto, prior to their issue.

B) STOCK OPTION PLANS

In 1995, the Company adopted a stock option plan (1995 Plan) under which it was authorized to grant options to non-employee directors and to certain key employees of the Company for the purchase of shares up to the limit permitted by law. Options may only be exercised two years after the date of the grant for a period not exceeding five years ("the exercise period"). Options are exercisable at the market value of shares on the date of the grant. Options terminate upon cessation of employment or resignation, except in cases of death or Company-approved retirement.

In 1997, the Company amended the 1995 Plan, notably by reducing the exercise period to four years with respect to options granted from March 1997.

In 2001, the Company adopted a new stock option plan (2001 Plan) which is subject to the same terms and conditions as the amended 1995 Plan in respect of eligibility, exercise period, exercise price and termination of employment. Since the adoption of the 2001 Plan, no new options may be granted under the 1995 Plan, and unexercised options previously granted continue to be governed by its terms and conditions.

Consideration received from plan participants upon the exercise of stock options under both plans is credited to share capital.

The options granted and outstanding at year-end are as follows:

		2001	2000
Year granted	Exercise price (\$/share)	Options outstanding at year-end	
2001 PLAN			
2001	21.60	1,000,500	—
2001	27.98	27,000	—
		1,027,500	—
1995 PLAN			
1995	7.67	66,250	445,150
1996	10.06	60,000	60,000
1996	11.19	269,000	620,800
1997	11.30	495,900	813,700
1997	16.73	18,500	26,500
1997	16.93	413,000	547,000
1998	13.00	137,100	229,500
1998	10.70	11,856	15,200
1998	10.10	12,000	12,000
1999	11.55	23,000	23,000
1999	11.95	108,700	146,000
1999	11.05	8,500	12,750
2000	12.40	110,000	130,000
2000	11.25	10,500	10,500
2000	13.90	142,000	150,000
2001	15.04	17,000	—
		1,903,306	3,242,100

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. SHARE CAPITAL (CONTINUED)

The number of options varied as follows:

	2001	2000
BALANCE AT BEGINNING OF YEAR	3,242,100	3,309,000
GRANTED	1,054,500	305,500
EXERCISED	(1,280,169)	(255,025)
CANCELLED	(85,625)	(117,375)
BALANCE AT END OF YEAR	2,930,806	3,242,100

C) REDEMPTION OF SHARES

In May 2001, the Board of Directors authorized the renewal of a normal course issuer bid to purchase, for cancellation, on the open market, up to a prescribed maximum number of common shares within a one-year period. This program requires annual approval by the Board.

The redemption of shares in 2001 and 2000 are as follows:

	2001	2000
REDEEMED AND CANCELLED		
PORTION ALLOCATED TO SHARE CAPITAL	\$ 2,474	\$ 6,286
PORTION ALLOCATED TO RETAINED EARNINGS	3,902	8,727
	\$ 6,376	\$ 15,013
NUMBER OF SHARES	391,000	1,214,300
AVERAGE REDEMPTION PRICE PER SHARE	\$ 16.31	\$ 12.36

10. INFORMATION INCLUDED IN THE CONSOLIDATED STATEMENTS OF INCOME

The following are included in the consolidated statements of income:

	2001	2000
EXCLUDING HIGHWAY 407		
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	\$ 37,509	\$ 33,815
INTEREST REVENUES	\$ (10,380)	\$ (11,839)
INTEREST ON LONG-TERM DEBT	\$ 14,906	\$ 9,127
HIGHWAY 407		
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	\$ 12,944	\$ 9,318
INTEREST REVENUES	\$ (5,412)	\$ (6,122)
INTEREST ON LONG-TERM DEBT	\$ 58,560	\$ 49,030

11. INCOME TAXES

Temporary differences and tax loss carryforwards which give rise to future income tax assets and liabilities, as at December 31, are as follows:

	2001	2000
EXCLUDING HIGHWAY 407		
PROVISION AND RESERVES	\$ 18,618	\$ 21,284
TAX LOSS CARRYFORWARDS	14,170	6,400
CONTRACTS IN PROGRESS AND INVENTORIES	(29,273)	(15,149)
FUTURE EMPLOYEE BENEFITS	8,352	6,513
PROPERTY, PLANT AND EQUIPMENT	(8,544)	(11,574)
OTHER	2,855	791
	6,178	8,265
HIGHWAY 407		
TAX LOSS CARRYFORWARDS	23,147	26,569
DEFERRED GAINS	2,234	2,512
PROPERTY, PLANT AND EQUIPMENT	(22,441)	(26,161)
OTHER	(2,940)	(2,920)
	-	-
FUTURE INCOME TAX ASSET, NET	\$ 6,178	\$ 8,265
RECORDED AS FOLLOWS:		
FUTURE INCOME TAX ASSET - CURRENT	\$ 1,270	\$ 10,605
FUTURE INCOME TAX ASSET (LIABILITY) - LONG-TERM	\$ 4,908	\$ (2,340)

The effective income tax rate in the Company's consolidated statements of income differs from the statutory Canadian tax rates mainly as a result of the following:

	2001		2000	
	Amount	%	Amount	%
EXCLUDING HIGHWAY 407				
INCOME TAX AT STATUTORY CANADIAN RATES	\$ 41,314	39.0	\$ 36,791	40.4
INCREASE (DECREASE) RESULTING FROM:				
NON-DEDUCTIBLE EXPENSES	1,933	1.8	2,093	2.3
NET LOSSES (GAINS) IN FOREIGN JURISDICTIONS NOT AFFECTED BY TAX	1,720	1.6	(176)	(0.2)
EFFECT OF FOREIGN TAX RATES	(1,312)	(1.2)	(1,856)	(2.0)
MANUFACTURING AND PROCESSING DEDUCTION	(904)	(0.9)	(1,191)	(1.3)
OTHER	(10,514)	(9.9)	(8,192)	(9.0)
	32,237	30.4	27,469	30.2
HIGHWAY 407				
INCOME TAX BENEFIT AT STATUTORY CANADIAN RATES	(10,196)	(41.8)	(9,336)	(44.0)
INCREASE (DECREASE) RESULTING FROM:				
TAX EFFECT OF UNUSED TAX LOSSES	10,196	41.8	9,336	44.0
OTHER	(2,023)	(5.8)	(648)	(2.2)
	(2,023)	(5.8)	(648)	(2.2)
TOTAL INCOME TAX EXPENSE	\$ 30,214	42.4	\$ 26,821	43.8
CURRENT INCOME TAX EXPENSE	\$ 26,594		\$ 34,498	
FUTURE INCOME TAX EXPENSE (BENEFIT)	3,620		(7,677)	
	\$ 30,214		\$ 26,821	

The unused tax loss of Highway 407 for 2001 was \$24,377,000 (2000: \$21,217,000-1999: \$9,372,000), being available to offset taxable income for the next seven years (2000: six years-1999: five years). A future income tax asset will be recorded upon realization of certain conditions.

12. FINANCIAL INSTRUMENTS

A) FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value of the Company's financial instruments are as follows:

Short-term financial assets and liabilities

Cash equivalents and short-term investments consist principally of high grade financial instruments. Due to the short duration of such investments, their carrying amount approximates their fair value. For other short-term financial assets and liabilities, the carrying amounts are a reasonable estimate of the market values of these items due to their short-term nature.

Long-term debt

The carrying amount and estimated fair value of the long-term debt as at December 31, 2001, was \$1,178,641,000 (2000: \$1,095,949,000) and \$1,228,695,000 (2000: \$1,124,995,000), respectively. These amounts include the Highway 407's carrying amount and fair value of its long-term debt of \$1,027,940,000 (2000: \$942,031,000) and \$1,072,271,000 (2000: \$966,816,000), respectively. The fair value was determined using public quotations or the discounted cash flow method in accordance with current financing arrangements. The discount rates used correspond to prevailing market rates offered to the Company for debt with the same terms and conditions.

Letters of credit and financial guarantee

Under certain circumstances, the Company provides letters of credit as collateral for the fulfillment of contractual obligations, including guarantees for performance, advance payments, contractual holdbacks and bid bonds. Certain guarantees decrease in relation to the percentage of completion of projects. As at December 31, 2001, the Company had outstanding letters of credit of \$281,012,000 (2000: \$274,388,000), which will mature over periods not exceeding five years.

Also, during the year, SNC-Lavalin Inc. and SNC-Lavalin Investment Australia PTY Ltd. provided a guarantee for their 50% share of the payments required under the construction contract for the Murraylink electricity transmission project in Australia. Such guarantee, effective upon completion of construction in accordance with the requirements of the contract, is for a maximum amount of approximately \$60,000,000. SNC-Lavalin Investment Australia PTY Ltd. and its 50% partner expect that such payments will be financed through both equity contributions from the partners to Murraylink Transmission Company PTY Ltd., as well as non-recourse debt of such company.

Forward foreign exchange contracts

The Company enters into forward foreign exchange contracts with banks to hedge foreign currency denominated assets and liabilities and foreign currency transactions against foreign currency fluctuations. The maturity dates of the existing forward foreign exchange contracts do not exceed three years.

Forward foreign exchange contracts contain an inherent credit risk relating to default on obligations by the counterparties. The Company reduces this credit risk by entering into foreign exchange contracts with sound financial institutions, which the Company anticipates will satisfy their obligation under the contracts.

The fair value of forward foreign exchange contracts generally reflects the estimated amounts the Company would receive on settlement of favourable contracts, or be required to pay in order to terminate unfavourable contracts as at the balance sheet date. The fair values are estimated by obtaining quotes from financial institutions. The fair values as at December 31, if settlement were to occur, would be as follows:

	2001	2000
FAVOURABLE FORWARD FOREIGN EXCHANGE CONTRACTS	\$ 1,008	\$ 2,369
UNFAVOURABLE FORWARD FOREIGN EXCHANGE CONTRACTS	(5,661)	(2,829)
	\$ (4,653)	\$ (460)

Consistent with its policy not to speculate on foreign currency positions, the Company does not usually incur favourable and unfavourable settlement variances given that the forward foreign exchange contracts normally maintain their initial anticipated hedging relationships up to maturity.

B) CONCENTRATIONS OF CREDIT RISK

Concentrations of credit risk with respect to accounts receivable and contracts in progress are limited due to the large number of clients comprising the Company's client base, and their dispersion across different business and geographic areas.

13. PENSION PLANS AND OTHER POST-RETIREMENT BENEFITS

The Company and certain of its subsidiaries offer a Group Registered Retirement Savings Plan combined with a Deferred Profit Sharing Plan for which contributions are recorded as expenses in the year in which they are incurred (2001: \$10,944,000; 2000: \$10,460,000), as well as Defined Benefit Pension Plans which provide pension benefits based on length of service and final pensionable earnings.

The following table sets forth the change in benefit obligation, plan assets and funded status of the Company's defined benefit pension plans:

	2001	2000
CHANGE IN PENSION BENEFIT OBLIGATION		
BENEFIT OBLIGATION AT BEGINNING OF YEAR	\$ 125,777	\$ 103,216
ACQUISITIONS AND PLAN AMENDMENTS	5,313	18,038
CURRENT SERVICE COST	3,098	3,008
INTEREST COST	7,245	6,701
BENEFITS PAID	(11,917)	(8,337)
ACTUARIAL LOSSES	6,380	101
OTHER	1,232	3,050
BENEFIT OBLIGATION AT END OF YEAR	\$ 137,128	\$ 125,777
CHANGE IN PLAN ASSETS		
FAIR VALUE AT BEGINNING OF THE YEAR	\$ 130,442	\$ 103,314
ACQUISITIONS	—	17,883
ACTUAL RETURN ON PLAN ASSETS	3,821	12,373
BENEFITS PAID	(11,917)	(8,337)
OTHER	3,696	5,209
FAIR VALUE AT END OF YEAR	\$ 126,042	\$ 130,442
FUNDED STATUS		
FUNDED STATUS—PLAN SURPLUS (DEFICIT)	\$ (11,086)	\$ 4,665
UNAMORTIZED NET ACTUARIAL LOSS (GAIN)	1,008	(8,969)
UNAMORTIZED PAST SERVICE COSTS	6,408	1,287
ACCRUED BENEFIT LIABILITY	\$ (3,670)	\$ (3,017)

The following is a summary of significant actuarial assumptions used in measuring the Company's accrued benefit obligation:

	2001	2000
DISCOUNT RATE	6.50%	7.00%
EXPECTED LONG-TERM RATE OF RETURN ON PLAN ASSETS	7.00%	7.00%
RATE OF COMPENSATION INCREASE	3.25%	3.50%

The Company's net defined benefit pension plans expense is as follows:

	2001	2000
CURRENT SERVICE COST	\$ 3,098	\$ 3,008
INTEREST COST	7,245	6,701
EXPECTED RETURN ON PLAN ASSETS	(7,468)	(6,663)
OTHER	243	(135)
NET BENEFIT PLAN EXPENSE	\$ 3,118	\$ 2,911

As at December 31, 2001, the obligation for other post-retirement benefits amounted to \$13,237,000 (2000: \$10,355,000).

14. CONTINGENCIES

The Company and certain of its subsidiaries have been named as defendants along with other parties in a number of class action lawsuits and other actions filed in Canada and the United States by or on behalf of shareholders of Bre-X Minerals Ltd. and Bresea Resources Ltd. seeking to recover damages allegedly sustained by them as a result of the Bre-X affair. The complaints with respect to these actions generally allege that the Company and/or its subsidiaries were negligent, negligently or fraudulently misrepresented or failed to disclose information relating to Bre-X's Busang gold project, and violated US securities laws. The Company denies these allegations and is vigorously contesting these lawsuits. These lawsuits remain at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of these lawsuits or to estimate the loss, if any, which may result. However, management believes that the Company's subsidiaries have acted professionally and appropriately at all times in carrying out the work which was performed in connection with Bre-X's Busang project and, after having consulted with legal counsel, believes that the Company and its subsidiaries have strong grounds to contest these claims. The Company's insurers have been advised of these claims and are cooperating with the Company in the defence of these lawsuits subject to policy deductibles, limits, and terms and conditions.

In the normal conduct of operations, there are other pending claims by and against the Company. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these other litigations will not materially affect the Company's consolidated financial position or results of operations.

15. COMMITMENTS

Commitments for annual basic rental under long-term operating leases are as follows:

2002	2003	2004	2005	2006	Thereafter	Total
\$ 15,070	\$ 12,604	\$ 8,891	\$ 7,427	\$ 6,793	\$ 12,324	\$ 63,109

16. SEGMENT DISCLOSURES

The Company's operating segments are grouped by sectors of activities, described as follows:

- Infrastructure segment is engaged in a full range of activities in infrastructure projects (including rail-based rapid transit systems, roads, airports, buildings), water-well drilling, water treatment and distribution, systems implementation, as well as general engineering and environment.
- Chemicals and petroleum segment is comprised of projects in the oil and gas sector, both upstream and downstream as well as in chemicals, bio-chemicals, petrochemicals and fertilizers.
- Power segment is engaged in hydroelectric, nuclear and thermal power generation, energy control systems, power transmission and distribution projects.
- Mining and metallurgy segment provides a full range of services for the treatment of ores and recovery of minerals and metals. This segment also includes aluminum industry projects.
- Facilities and operations management segment is engaged in a full range of activities in facility, property and infrastructure management, including real estate and project management.
- Defence segment mainly includes the manufacturing of ammunition for the military and paramilitary markets.
- Highway 407 segment, representing the Company's proportionate share of 407 International Inc. results, after consolidation eliminations, consists of the operation, maintenance and management of highway 407 in the greater Toronto area.
- "All Other" segment combines activities of several sectors, pharmaceutical, biotechnology, agrifood, pulp and paper, telecommunications as well as other industrial plants. Also included in this segment is the Company's other equity investments.

16. SEGMENT DISCLOSURES (CONTINUED)

The accounting policies for the segments are the same as those described in the Summary of significant accounting policies (note 1) except for imputed interest calculated on non-cash working capital position. The Company evaluates segment performance, except for Highway 407, using operating income net of imputed interest which is charged monthly to the segments at a rate of 10% per annum resulting in a cost or revenue depending on whether the segment's current assets exceed current liabilities or vice versa. Corporate general and administrative costs are allocated based on the gross margin of each segment. Income taxes are not allocated to segments. Highway 407 segment performance is reported using net income (loss) after consolidation eliminations which includes imputed interest.

Revenues by category reflect the Company's activities in Services, Packages and Concessions activities.

Revenues by geographical segment have been allocated according to project location.

The Company has numerous clients. In any one year, a given client may represent a material portion of the Company's consolidated revenues due to the size of a particular project and the progress accomplished on such project.

YEARS ENDED DECEMBER 31:

	2001		2000	
	Revenues	Operating income (loss)	Revenues	Operating income (loss)
EXCLUDING HIGHWAY 407				
INFRASTRUCTURE	\$ 480,177	\$ 27,550	\$ 374,256	\$ 30,994
CHEMICALS AND PETROLEUM	420,661	32,505	201,819	11,131
POWER	303,182	15,602	187,134	6,520
MINING AND METALLURGY	143,156	7,362	250,136	21,330
FACILITIES AND OPERATIONS MANAGEMENT	558,315	12,582	347,361	6,579
DEFENCE	211,355	12,427	208,021	12,100
ALL OTHER	166,313	386	150,732	(811)
	<u>\$ 2,283,159</u>	<u>108,414</u>	<u>\$ 1,719,459</u>	<u>87,843</u>
REVERSAL OF TOTAL IMPUTED				
INTEREST REVENUE INCLUDED				
IN SEGMENT OPERATING INCOME		(1,810)		(1,342)
INCOME BEFORE INTEREST, TAXES AND				
AMORTIZATION OF GOODWILL		106,604		86,501
INTEREST REVENUES (EXPENSES)				
AND CAPITAL TAXES		(562)		4,544
INCOME BEFORE INCOME TAXES AND				
AMORTIZATION OF GOODWILL		106,042		91,045
INCOME TAXES		(32,237)		(27,469)
INCOME BEFORE AMORTIZATION OF GOODWILL		73,805		63,576
AMORTIZATION OF GOODWILL				
(NET OF INCOME TAXES)		(14,611)		(10,508)
NET INCOME, EXCLUDING HIGHWAY 407		59,194		53,068
HIGHWAY 407, NET LOSS		(32,748)		(29,203)
NET INCOME		\$ 26,446		\$ 23,865

Details of the Company's proportionate share (26.92%) of Highway 407 results for the years ended December 31 are:

	2001	2000
REVENUES (CONCESSIONS)	\$ 65,706	\$ 51,017
GROSS MARGIN, AFTER DEDUCTING \$12,944 (2000: \$9,318) OF DEPRECIATION	\$ 39,294	\$ 28,954
ADMINISTRATIVE, MARKETING AND OTHER EXPENSES	(5,185)	(4,548)
INTEREST EXPENSE AND CAPITAL TAX	(58,487)	(45,623)
LOSS BEFORE INCOME TAXES	(24,378)	(21,217)
INCOME TAXES	(1,615)	(2,288)
NET LOSS, BEFORE CONSOLIDATION ELIMINATIONS	(25,993)	(23,505)
CONSOLIDATION ELIMINATIONS	(6,755)	(5,698)
NET LOSS, NET OF CONSOLIDATION ELIMINATIONS	\$ (32,748)	\$ (29,203)

16. SEGMENT DISCLOSURES (CONTINUED)

AT DECEMBER 31:	2001	2000
EXCLUDING HIGHWAY 407		
SEGMENT NON-CASH WORKING CAPITAL POSITION		
INFRASTRUCTURE	\$ 6,342	\$ (38,641)
CHEMICALS AND PETROLEUM	(35,323)	(14,790)
POWER	8,220	(27,355)
MINING AND METALLURGY	(469)	5,527
FACILITIES AND OPERATIONS MANAGEMENT	(16,457)	(18,133)
DEFENCE	44,349	63,980
ALL OTHER	(11,287)	(21,158)
TOTAL SEGMENT NON-CASH WORKING CAPITAL POSITION-NET LIABILITIES	(4,625)	(50,570)
CURRENT LIABILITIES INCLUDED IN SEGMENT NON-CASH WORKING CAPITAL POSITION	702,857	610,965
CASH AND CASH EQUIVALENTS, SHORT-TERM INVESTMENTS	301,586	242,683
PROPERTY, PLANT AND EQUIPMENT AND OTHER LONG-TERM ASSETS	323,443	313,161
TOTAL ASSETS, EXCLUDING HIGHWAY 407	1,323,261	1,116,239
HIGHWAY 407	1,167,356	1,110,989
TOTAL ASSETS	\$ 2,490,617	\$ 2,227,228
REVENUES BY CATEGORY		
SERVICES	\$ 583,168	\$ 544,869
PACKAGES	863,243	523,647
CONCESSIONS	880,419	671,890
	\$ 2,326,830	\$ 1,740,406
REVENUES BY GEOGRAPHIC SEGMENT		
CANADA	\$ 1,549,651	\$ 1,030,109
ASIA	244,486	182,016
LATIN AMERICA	130,326	161,780
AFRICA	117,100	132,126
EUROPE	84,993	111,218
OTHER	200,274	123,157
	\$ 2,326,830	\$ 1,740,406
PROPERTY, PLANT, EQUIPMENT AND GOODWILL (AT DECEMBER 31)		
CANADA		
EXCLUDING HIGHWAY 407	\$ 246,747	\$ 243,074
HIGHWAY 407	1,028,646	972,111
OUTSIDE CANADA	7,498	6,660
	\$ 1,282,891	\$ 1,221,845

17. HIGHWAY 407

In accordance with the recommendations of the CICA, the Company's investment in Highway 407 is currently accounted for using the proportionate consolidation method, whereby the consolidated financial statements reflect, line by line, the pro-rata share of each of the assets, liabilities, revenues and expenses of Highway 407. Given the effect of Highway 407 on the consolidated financial statements, the Company has decided to present, in the following tables, financial positions, results of operations and cash flows that reflect its investment in Highway 407 as a single line item.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17. HIGHWAY 407 (CONTINUED)

FINANCIAL POSITIONS	2001	2000
AT DECEMBER 31		
ASSETS		
CURRENT		
CASH AND CASH EQUIVALENTS	\$ 280,283	\$ 224,996
SHORT-TERM INVESTMENTS	21,303	17,687
ACCOUNTS RECEIVABLE	398,058	391,804
CONTRACTS IN PROGRESS AND INVENTORIES	300,174	168,591
	999,818	803,078
PROPERTY, PLANT AND EQUIPMENT	168,254	159,327
INVESTMENT IN 407 INTERNATIONAL INC. (NOTE)	99,827	132,575
OTHER ASSETS	155,189	153,834
	\$ 1,423,088	\$ 1,248,814
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
ACCOUNTS PAYABLE AND ACCRUED CHARGES	\$ 541,310	\$ 449,610
DOWNPAYMENTS ON CONTRACTS	168,638	145,840
DEFERRED REVENUES	80,370	106,523
	790,318	701,973
LONG-TERM DEBT	147,722	150,891
OTHER LIABILITIES	42,084	37,795
	980,124	890,659
SHAREHOLDERS' EQUITY	442,964	358,155
	\$ 1,423,088	\$ 1,248,814
Note: The "investment in 407 International Inc." represents the original investment of \$175 million less the cumulative net loss, which includes consolidation eliminations.		
RESULTS OF OPERATIONS	2001	2000
YEARS ENDED DECEMBER 31		
REVENUES	\$ 2,283,159	\$ 1,719,459
GROSS MARGIN	\$ 334,944	\$ 283,432
ADMINISTRATIVE, MARKETING AND OTHER EXPENSES (EXCLUDING AMORTIZATION OF GOODWILL)	228,340	196,931
INCOME BEFORE INTEREST, TAXES AND AMORTIZATION OF GOODWILL	106,604	86,501
INTEREST (REVENUES) AND CAPITAL TAXES	562	(4,544)
INCOME BEFORE INCOME TAXES AND AMORTIZATION OF GOODWILL	106,042	91,045
INCOME TAXES	32,237	27,469
INCOME BEFORE AMORTIZATION OF GOODWILL	73,805	63,576
AMORTIZATION OF GOODWILL (NET OF INCOME TAXES)	14,611	10,508
NET INCOME, EXCLUDING HIGHWAY 407	59,194	53,068
HIGHWAY 407, NET LOSS BEFORE CONSOLIDATION ELIMINATIONS	(25,993)	(23,505)
CONSOLIDATION ELIMINATIONS	(6,755)	(5,698)
NET INCOME	\$ 26,446	\$ 23,865

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17. HIGHWAY 407 (CONTINUED)

CASH FLOWS

YEARS ENDED DECEMBER 31

	2001	2000
OPERATING ACTIVITIES		
NET INCOME	\$ 26,446	\$ 23,865
ITEMS NOT INVOLVING A MOVEMENT OF CASH:		
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	37,509	33,815
AMORTIZATION OF GOODWILL (NET OF INCOME TAXES)	14,611	10,508
LOSS FROM INVESTMENT IN HIGHWAY 407	32,748	29,203
FUTURE INCOME TAXES	7,258	(4,741)
OTHER	(6,436)	(2,301)
	112,136	90,349
NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS	(64,068)	9,693
	48,068	100,042
INVESTING ACTIVITIES		
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(34,962)	(28,086)
ACQUISITION OF BUSINESSES	(17,583)	(47,069)
SUBORDINATED LOAN - HIGHWAY 407	—	25,790
OTHER	(7,602)	13,466
	(60,147)	(35,899)
FINANCING ACTIVITIES		
REPAYMENT OF LONG-TERM DEBT	(3,142)	(2,949)
INCREASE IN LONG-TERM DEBT	—	103,776
NET PROCEEDS FROM ISSUANCE OF SHARES	78,138	2,510
REDEMPTION OF SHARES	(6,376)	(15,013)
DIVIDENDS	(13,399)	(11,120)
OTHER	12,145	420
	67,366	77,624
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,287	141,767
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	224,996	83,229
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 280,283	\$ 224,996

18. COMPARATIVE FIGURES

Certain 2000 figures have been reclassified to be comparable with the 2001 presentation.

MANAGEMENT TEAM

OFFICE OF THE PRESIDENT

- **Jacques Lamarre**
President and Chief Executive Officer
- **Pierre Anttil**
Executive Vice-President
- **Sami Bébawi**
Executive Vice-President
- **Krish Krishnamoorthy**
Executive Vice-President
- **Gilles Laramée**
Executive Vice-President, Finance
- **Robert Leboeuf**
Executive Vice-President
- **Normand Morin**
Executive Vice-President
- **Roger Nichol**
Executive Vice-President
- **Michael Novak**
Executive Vice-President
- **Robert Tribe**
Executive Vice-President
- **Klaus Triendl**
Executive Vice-President

CORPORATE

- Sylvie Brossard**
Director, Taxation
- **Marilynne Campbell**
Senior Vice-President, Human Resources
- **Ian Chapman**
Vice-President, Law and Corporate Secretary
- **Louis Dagenais**
Vice-President, Global Information Technologies & Project Management Systems
- **Michael Ioffredi**
Vice-President and Controller
- Hubert Lafortune**
Director, Internal Audit
- **Gillian MacCormack**
Vice-President, Public Relations
- **Adam Malkhassian**
Vice-President and Chairman, Risk Evaluation Committee
- **Mario Moraneli**
Vice-President and Treasurer
- **Charles Paul**
Vice-President, Administration
- Stéphane Roy**
Director, Investor Relations
- Hart Schubert**
Vice-President, Procurement

INFRASTRUCTURE

MASS TRANSIT SYSTEMS

- **Robert Tribe**
President
- **Mark Loader**
Senior Vice-President
- Scott Anderson**
Vice-President, Engineering
- Jen Liew**
Senior Vice-President

AIRPORTS

- Henry Wakabayashi**
Vice-President,
Airport Development

CHEMICALS AND PETROLEUM

- **Krish Krishnamoorthy**
President
- **Dale Christensen**
Senior Vice-President and General Manager
- **Denny Law**
Senior Vice-President, Strategic Development
- John Hutchinson**
Vice-President, Business Development
- Terry Jones**
Vice-President, Projects
- Donald McLeod**
Vice-President and General Manager, Edmonton Operations
- Ed Vogelgesang**
Vice-President, Operations
- Titan SNC-Lavalin**
- Ken Harris**
Vice-President and General Manager

POWER

- **Klaus Triendl**
President
- Montreal**
- **Paul Dufresne**
Senior Vice-President and General Manager
- Essam Farag**
Vice-President, Turnkey Projects and Mini Hydro
- Alfred Hanna**
Vice-President, Hydroelectric Power
- Parveen Khan**
Vice-President, External Training and Development
- Suzanne Leblanc**
Vice-President, Hydroelectric Facilities
- Satish Sud**
Vice-President, Power Systems
- Vancouver**
- **Dave Parsons**
Senior Vice-President and General Manager, Thermal Power
- Nigel Ratledge**
Senior Vice-President, Thermal Power
- Daniel Tokatelloff**
Director, Thermal Power

POWER DEVELOPMENT

- **Lance Howard**
Senior Vice-President and General Manager
- Jean-François Bâcle**
Vice-President
- Tony Rosato**
Vice-President
- Michel Silver**
Vice-President, Operations
- Geoffrey Stewart**
Vice-President

NUCLEAR

- Canatom NPM Inc.**
- **Wayne Boyd**
President and CEO

ENERGY CONTROL SYSTEMS

- **Alain Poplemon**
Senior Vice-President and General Manager

Amedeo Clara

Vice-President, Business Development

Paul Mariamo

Vice-President, Marketing

Joseph Salim

Vice-President, Engineering

MINING AND METALLURGY

SNC-Lavalin Engineers & Constructors Inc.

- **Roger Nichol**
President
- **Pierre Duhaime**
Senior Vice-President and General Manager
- James W. Gulyas**
Vice-President, Technology

Toronto

Michael Day
Vice-President

Montreal

Patric Mercille
Vice-President, Operations

Vancouver

Kilborn Engineering Pacific Ltd.
Jonathan Clegg
Vice-President and General Manager

Winnipeg

- **Yash Sthankiya**
Vice-President and General Manager

INFRASTRUCTURE AND BUILDINGS/ ENVIRONMENT

ONTARIO

SNC-Lavalin Engineers & Constructors Inc.

- **Albert Sweetnam**
Senior Vice-President and General Manager, Infrastructure and Environment
- **Douglas Hodgins**
Vice-President, Infrastructure and Environment
- Joti Chakraburty**
Vice-President, International Projects

INDUSTRIAL

ONTARIO

SNC-Lavalin Engineers & Constructors Inc.

- **Feroz Ashraf**
Senior Vice-President and General Manager, Industrial

Toronto

Kevin Wallace
Director, Industrial Operations

Sarnia

Dietmar Berger
General Manager

SULPHURIC ACID PLANTS

Fenco Engineers and Constructors

- **Vulcan Muter**
President

CONSTRUCTION

Socotec Inc.

- **Sami Bébawi**
President
- **Réjean Carrier**
Vice-President, Operations
- Riadh Ben Aissa**
Senior Vice-President, Business Development, Middle East

Raymond Fortin

Senior Vice-President,
Infrastructure – Water Sector

Samir Habib

Vice-President, Construction

Tim O'Meara

Vice-President, Special Projects

INDUSTRIAL

Normand Morin

President

QUEBEC

- **Jean Beaudoin**
Senior Vice-President and General Manager
- **Jean-Marc Arbaud**
Vice-President, Operations and Maintenance
- Roland Boulos**
Vice-President
- Denis Dallaire**
Vice-President, Pulp and Paper
- Jean-Louis Dontigny**
Vice-President, Engineering
- Jean Nehmé**
Vice-President, Marketing
- George Rode**
Vice-President and Project Manager
- Andrew Sharp**
Vice-President, Operations
- Gilbert Villeneuve**
Vice-President, Construction

INFRASTRUCTURE AND BUILDINGS, ENVIRONMENT, AGRICULTURE

QUEBEC

- **Luc Laine**
Senior Vice-President and General Manager
- Yves Cadotte**
Vice-President, Development, General Engineering
- Laurent De François**
Vice-President, Transportation Systems, Operations and Maintenance
- Robert Ferrari**
Vice-President, Development, Environment and Agriculture

ATLANTIC CANADA

- **Albert Williams**
Senior Vice-President and General Manager
- **Marcel Aucoin**
Vice-President, Nova Scotia and New Brunswick
- Tony Allen**
Vice-President, Offshore Oil and Gas
- Bassem Eid**
Vice-President, Ports, Marine and Environment
- BAE-Newplan Group Limited**
- Elwood J. Reid**
President

ALUMINUM

- **Pierre Ranger**
Senior Vice-President and General Manager
- Robert Minto**
Vice-President, Technology and Project Development
- Adrian Owens**
Vice-President, Operations

MANAGEMENT TEAM

FACILITIES AND OPERATIONS MANAGEMENT

- **Pierre Ancill**
President
Profac Facilities Management Services Inc.
- **Michael Winter**
President and CEO
- **Paul Scarafile**
Senior Vice-President, Business Development
- Hernance Bernier**
Senior Vice-President, Finance
- Peter Langlais**
Senior Vice-President, Operations
- Charlie Rate**
Vice-President, Strategic Initiatives
- Nexacor Realty Management Inc.**
- Gilles Hébert**
Senior Vice-President, Operations
- Barry Ross**
Vice-President, Realty Management
- SNC-Lavalin Defence Programs Inc.**
- Ron Rhodenizer**
Vice-President

OTHER INDUSTRY SECTORS

AGRI-FOOD

- SNC-Lavalin Audet**
- **Luc Audet**
President
- SNC-Lavalin Audet/RSA**

Winnipeg

Alan Roberts
Director

PHARMACEUTICALS AND BIOTECHNOLOGY

- SNC-Lavalin Pharma**
- **Daniel Lachapelle**
Senior Vice-President and General Manager
- Jacques Côté**
Vice-President, Operations

TELECOMMUNICATIONS

- Expertech Network Installation Inc.**
- John Babulic**
President

DEFENCE

- **Robert Leboeuf**
President
SNC Technologies Inc.
- René Blouin**
Vice-President, Programs and Development
- Marc Delahaut**
Vice-President, Sales and Business Development
- Émile Laroche**
Vice-President, Operations
- EXPRO Technologies Inc.**
- André Breton**
Vice-President and General Manager
- Securiplex Inc.**
- **Maher Hanna**
President

SNC-LAVALIN FINANCING

- SNC-Lavalin Capital Inc.**
- **Christiane Bergevin**
President
- Patrice Duval**
Vice-President, Project Financing

Dominic Forest
Vice-President, Project Financing and Modeling

Hans Kuiken
Director (Europe), Project Financing

Richard Massé
Vice-President, Project Financing

Chantal Rougerie
Vice-President, Project Financing

Toronto

Tracey Lawko
Vice-President, Project Financing

Vancouver

Esther Tse
Vice-President, Project Financing

SNC-Lavalin Investment

- **Pierre Ancill**
President
- Jean Daigneault**
Senior Vice-President, Planning and Development
- André Dufour**
Vice-President
- Charles Larouche**
Vice-President, Operations
- Stéphane Mailhot**
Vice-President
- Louis St-Maurice**
Vice-President
- SNC-Lavalin Risk & Insurance**
- **Georges Boutary**
Vice-President and General Manager

407 INTERNATIONAL INC.

Kenneth Walker
Chief Financial Officer

SNC-LAVALIN INTERNATIONAL

- **Michael Novak**
President
- **Robert G. Blackburn**
Senior Vice-President, Government and International Development Institutions
- Hassan Azarm**
Vice-President, Business Development, Iran
- Ron Denom**
Senior Vice-President, Eurasia
- Kamal Francis**
Senior Vice-President, Latin America
- Zvi Lerner**
Vice-President, Near East and Eastern Europe
- Raymond Leroux**
Senior Advisor, Africa

ABORIGINAL AFFAIRS

- **Lloyd Girman**
Senior Vice-President, Strategic Initiatives
- Ann Rheault**
Vice-President, Aboriginal and Northern Affairs
- Stanley Ridley**
Senior Vice-President

MAIN OFFICES OUTSIDE CANADA

Algeria

SNC-Lavalin Maghreb E.U.R.L.

Sylvain Bouchard
President

Australia

SNC-Lavalin Australia Pty Ltd.

Laurie Barlow
Vice-President and General Manager

Belgium

S.A. SNC-Lavalin Europe N.V.

S.A. Coppée-Courtoy N.V.

- **Guy Davister**
Senior Vice-President and General Manager
- Guy Dury**
Business Unit Manager, Chemicals and Industry
- Luc Geldof**
Business Unit Manager, Pharmaceuticals
- Michel Jourdan**
Business Unit Manager, Liège
- Rudi Van Limbergen**
Business Unit Manager, Buildings and Infrastructure
- Dirk Vervaeck**
Business Unit Manager, Antwerp

Chile

SNC-Lavalin Chile S.A.

- **Gregory Wortman**
Vice-President and General Manager

China

SNC-Lavalin International Inc.

Lujiang Fan
Vice-President

Jianmin Ke
Vice-President

Egypt

SNC-Lavalin International Inc.

Hani Keira
Vice-President, Middle East

France

SNC-Lavalin International Inc.

- Jean-Pierre Mourez**
Senior Vice-President, Africa
- Pingat Ingénierie S.A.**
- **Jean-Claude Pingat**
President and General Manager
- Jean-Michel Convert**
Manager, Agrifood
- Patrice Delcourt**
Manager, Buildings
- Philippe Drémont**
Manager, Marketing and Commercial Sales
- Aziz Rajabaly**
Manager, Industrial Processes

Haiti

Société d'Expertise et d'Ingénierie LGL S.A.

Bernard Chancy
President and General Manager

Honduras

SNC-Lavalin International Inc.

Mercedes del Castillo
Vice-President, Marketing, Central America

Hungary

Pingat Ingenierie Hungaria KFT

Alain Tenet
General Manager

India

SNC-Lavalin Inc.

Khalid A. Baig
Director, Power Development

Indonesia

SNC-Lavalin International Inc.

Nick Lee
Vice-President, Indonesia

P.T. SNC-Lavalin-TPS

Larry Johnson
General Manager

Ivory Coast

SNC-Lavalin International Inc.

Roland Arsenault
Vice-President, East, Southwest, Central and Central-West Africa

Kazakhstan

SNC-Lavalin Inc.

Nurbergen Balgimbaev
Director, Kazakhstan

Malaysia

SNC-Lavalin International Inc.

J. Krish Krishnamurti
Senior Vice-President, Asia

Peru

SNC-Lavalin Perú S.A.

Francisco M. Silva Checa
Vice-President

Philippines

SNC-Lavalin International Inc.

Mel P. Samson
Director, Philippines

Gerardo Garcia
Deputy Director

Manila Bay Area Rapid Transit Corp.

Alain Lemay
President

Russia

SNC-Lavalin International Inc.

Yuri Kotliarov
Vice-President, Russia

South Africa

SNC-Lavalin South Africa S.A.

Noel O'Brien
Vice-President

Thailand

SNC-Lavalin International Inc.

André Giroux
Vice-President, Mainland South-East Asia

The Netherlands

SNC-Lavalin Europe B.V.

Hans Kuiken
Managing Director

United Arab Emirates

SNC-Lavalin International Inc.

Jean Demers
Senior Vice-President, Near and Middle East

United Kingdom

SNC-Lavalin Europe Limited

Tim Smith
Vice-President and General Manager

United States

SNC-Lavalin America, Inc.

John A. Menzies
President, Houston Business Unit

Joseph M. Shirley
Vice-President and General Manager, Denver

SNC-Lavalin International Inc.

David Brown
Representative, International Development

Venezuela

Socodex Venezuela C.A.

Mark Bergman
Senior Vice-President, Operations

• Member of the Management Committee

MAIN OFFICES

CANADA

QUEBEC

Montreal

Head Office

SNC-Lavalin Inc.

455 René-Lévesque Blvd. West
Montreal, Quebec
H2Z 1Z3
Telephone (514) 393-1000
Fax (514) 866-0795

SNC-Lavalin Inc.

35 Saint-Pierre Street
Local 105 – 1st Floor
Saint-Constant, Quebec
J5A 2E4
Telephone (450) 638-6677
Fax (450) 638-6425

SNC-Lavalin Audet

2271 Fernand-Lafontaine Blvd.
Longueuil, Quebec
J4G 2R7
Telephone (450) 677-1455
Fax (450) 677-1489

SNC-Lavalin Energy

Control Systems Inc.

2425 Pittfield Blvd.
Montreal, Quebec
H4S 1W8
Telephone (514) 334-6780
Fax (514) 334-9174

SNC-Lavalin Environment Inc.

275 Benjamin-Hudon Street
Montreal, Quebec
H4N 1J1
Telephone (514) 331-6910
Fax (514) 331-7632

SNC-Lavalin Pharma Inc.

8000 Décarie Blvd.
3rd Floor
Montreal, Quebec
H4P 2S4
Telephone (514) 735-5651
Fax (514) 737-7988

Canatom NPM Inc.

2020 University Street
Suite 2200
Montreal, Quebec
H3A 2A5
Telephone (514) 288-1990
Fax (514) 289-9300

EXPRO Technologies Inc.

55 Masson Street
Saint-Timothée, Quebec
J6S 4V9
Telephone (450) 371-5520
Fax (450) 377-7800

Nexacor Realty Management Inc.

87 Ontario Street West
Montreal, Quebec
H2X 1Y8
Telephone (514) 840-8540
Fax (514) 840-8385

Securiplex Inc.

549 Meloche Street
Montreal, Quebec
H9P 2W2
Telephone (514) 633-1000
Fax (514) 633-8338

SNC Technologies Inc.

5 Montée des Arsenaux
Le Gardeur, Quebec
J5Z 2P4
Telephone (450) 581-3080
Fax (450) 585-7302

Mont-Joli

Lalonde, Girouard, Letendre & associés ltée

1564, boul. Jacques-Cartier
Mont-Joli (Québec)
G5H 2V8
Telephone (418) 775-2099
Fax (418) 775-2095

Quebec City

SNC-Lavalin Inc.

5410, boul. de la Rive-Sud
Bureau 80
Lévis (Québec)
G6V 4Z2
Telephone (418) 837-3621
Fax (418) 837-2039

SNC-Lavalin Inc.

5500, boul. des Galeries
Bureau 200
Québec (Québec)
G2K 2E2
Telephone (418) 621-5500
Fax (418) 621-9090

Rimouski

Lalonde, Girouard, Letendre et associés ltée

84, rue Saint-Germain Est
Bureau 222
Rimouski (Québec)
G5L 1A6
Telephone (418) 723-4717
Fax (418) 723-1571

Thetford Mines

SNC-Lavalin Inc.

69, rue Notre-Dame Sud
Thetford Mines (Québec)
G6G 1J4
Telephone (418) 338-4631
Fax (418) 338-6564

ONTARIO

Toronto

SNC-Lavalin Engineers & Constructors Inc.

2200 Lake Shore Blvd. East
Toronto, Ontario
M8V 1A4
Telephone (416) 252-5311
Fax (416) 252-2058

SNC-Lavalin Pharma Inc.

789 Don Mills Road
Suite 1000
Don Mills, Ontario
M3C 1T5
Telephone (416) 422-4056
Fax (416) 422-4638

Canatom NPM Inc.

2360 Bristol Circle
4th Floor
Oakville, Ontario
L6H 6M5
Telephone (905) 829-8808
Fax (905) 829-8809

Nexacor Realty Management Inc.

300 The East Mall Street
Suite 600
Toronto, Ontario
M9B 6B7
Telephone (416) 207-3200
Fax (416) 207-3202

ProFac Facilities Management Services Inc.

304 The East Mall Street
Suite 900
Etobicoke, Ontario
M9B 6E2
Telephone (416) 207-4700
Fax (416) 207-4702

Ottawa

SNC-Lavalin Defence Programs Inc.

170 Laurier Avenue West
Suite 1100
Ottawa, Ontario
K1P 5V5
Telephone (613) 567-7004
Fax (613) 567-7022

SNC-Lavalin International Inc.

170 Laurier Avenue West
Suite 1100
Ottawa, Ontario
K1P 5V5
Telephone (613) 567-1948
Fax (613) 567-5509

Sarnia

SNC-Lavalin Engineers & Constructors Inc.

265 North Front Street
Suite 301
Sarnia, Ontario
N7T 7X1
Telephone (519) 336-0201
Fax (519) 336-0209

ATLANTIC CANADA

St. John's

BAE-Newplan Group Limited

1133 Topsail Road
Mount Pearl, Newfoundland
A1N 5G2
Telephone (709) 368-0118
Fax (709) 368-3541

Halifax

SNC-Lavalin Inc.

40 Fielding Avenue
Dartmouth, Nova Scotia
B3B 1E4
Telephone (902) 468-6230
Fax (902) 468-7864

SNC-Lavalin Inc.

Park Lane Terraces
5657 Spring Garden Road
Suite 200
Halifax, Nova Scotia
B3J 3R4
Telephone (902) 492-4544
Fax (902) 492-4540

Fredericton

SNC-Lavalin Inc.

500 Beaverbrook Court
Fredericton, New Brunswick
E3B 5X4
Telephone (506) 459-2645
Fax (506) 444-9419

ALBERTA

Calgary

SNC-Lavalin Inc.

Canadian Hunter Building
14th Floor
605 – 5th Avenue SW
Calgary, Alberta
T2P 3H5
Telephone (403) 294-2100
Fax (403) 237-8365

Titan SNC-Lavalin

800, 703 – 6th Avenue SW
Calgary, Alberta
T2P 0T9
Telephone (403) 261-6345
Fax (403) 261-6345

Edmonton

SNC-Lavalin Inc.

608 Oxford Tower
10235-101 Street
Edmonton, Alberta
T5J 3G1
Telephone (780) 426-1000
Fax (780) 426-4131

MANITOBA

Winnipeg

SNC-Lavalin Audet/RSA

202 – 1483 Pembina Highway
Winnipeg, Manitoba
R3T 2C6
Telephone (204) 453-4903
Fax (204) 452-0028

SNC-Lavalin Engineers & Constructors Inc.

200 – 1600 Ness Avenue
Madison Square
Winnipeg, Manitoba
R3J 3W7
Telephone (204) 786-8080
Fax (204) 786-7934

BRITISH COLUMBIA

Vancouver

SNC-Lavalin Inc.

1075 West Georgia Street
18th Floor
Vancouver, British Columbia
V6E 3C9
Telephone (604) 662-3555
Fax (604) 662-7688

SNC-Lavalin Engineers & Constructors Inc.

1075 West Georgia Street
Suite 1100
Vancouver, British Columbia
V6E 3C9
Telephone (604) 669-8811
Fax (604) 669-0847

Pacific Liaison and Associates Inc.

3823 Henning Drive
Suite 202
Burnaby, British Columbia
V5C 6P3
Telephone (604) 299-8860
Fax (604) 299-8722

NORTHWEST TERRITORIES

Nishi-Khon / SNC-Lavalin Limited

809, 5201 – 50th Avenue
Yellowknife, Northwest Territories
X1A 3S9
Telephone (867) 873-6242
Fax (867) 873-6243

UNITED STATES

Colorado

SNC-Lavalin America, Inc.

5775 DTC Blvd.
Suite 200
Englewood, Colorado
80111-3227 U.S.A.
Telephone (303) 689-9144
Fax (303) 689-9148

Connecticut

SNC Technologies Corp.

65 Sandscreen Street
Avon, Connecticut
06001-0575, U.S.A.
Telephone (860) 404-0162
Fax (860) 404-0169

Texas

SNC-Lavalin America, Inc.

11011 Richmond Ave.
Suite 400
Houston, Texas
77042 U.S.A.
Telephone (713) 977-6300
Fax (713) 977-7388

Washington, D.C.

SNC-Lavalin International Inc.

1775 I Street NW
Suite 600
Washington, D.C.
20006, U.S.A.
Telephone (202) 293-7601
Fax (202) 887-7018

MAIN OFFICES

EUROPE

Belgium

S.A. SNC-Lavalin Europe N.V.
S.A. Coppée-Courtoy N.V.
 Avenue Louise 251, boîte 16
 B-1050 Bruxelles
 Belgium
 Telephone (322) 643.15.11
 Fax (322) 647.74.35
 Telex B 21139 CORUBX

France

SNC-Lavalin International Inc.
 16, rue Christophe-Colomb
 75008 Paris
 France
 Telephone (33 1) 47.20.83.88
 Fax (33 1) 40.70.09.47

Pingat Ingénierie S.A.
 16, cours J.-B. Langlet
 51723 Reims, Cedex
 France
 Telephone (33 3) 26.77.60.00
 Fax (33 3) 26.77.61.70

Hungary

Pingat Ingenierie Hungaria Kft.
 1255 Budapest P132
 Hungary
 Telephone (36-1) 355-62-58
 Fax (36-1) 214-02-03

The Netherlands

SNC-Lavalin Europe B.V.
 Schiphol Boulevard 169
 1118 BG Schiphol
 The Netherlands
 Telephone 31 (20) 316-3393
 Fax 31 (20) 316-3394

United Kingdom

SNC-Lavalin Europe Limited
 Wettern House
 56 Dingwall Road
 Croydon, Surrey CR0 0XH
 United Kingdom
 Telephone 44 (0)20 8649.82.28
 Fax 44 (0)20 8649.83.38

LATIN AMERICA

Brazil

SNC-Lavalin do Brasil Ltda.
 Rua Tenente Negrão
 166 - 7º andar
 Itaim Bibi 04530-030
 São Paulo - SP
 Brazil
 Telephone (5511) 3071-2197
 Fax (5511) 3071-4152

Chile

SNC-Lavalin Chile S.A.
 2343 Luis Uribe
 Ñuñoa, Santiago
 Chile
 Telephone (562) 431-2800
 Fax (562) 431-2900

Haiti

**Société d'Expertise
 et d'Ingénierie LGL S.A.**
 29, rue Ogé
 Boîte postale 15427 PV
 Pétion-Ville HT 6140
 Haiti
 Telephone (509) 257.83.11
 Fax (509) 256.07.39

Honduras

SNC-Lavalin International Inc.
 Edificio Galerías La Paz
 Ave. La Paz
 Oficina No. 313-315, Piso 3
 Tegucigalpa, M.D.C.
 Honduras, C.A.
 Telephone (504) 220-4393
 Fax (504) 220-4394

Peru

SNC-Lavalin Perú S.A.
 Calle Mariano de los Santos 183
 Piso 7
 San Isidro, Lima 27
 Peru
 Telephone (511) 222-6502
 Fax (511) 222-6503

Venezuela

Socodoc Venezuela C.A.
 Edificio Caracas Teleport
 Oficina 704, piso 7
 Avenida Paseo Colón
 Urbanización Maripérez
 Caracas 1050
 Venezuela
 Telephone (582) 576-8752
 Fax (582) 576-3258

AFRICA

Algeria

SNC-Lavalin Maghreb E.U.R.L.
 B.P. 274
 45, rue de la Petite Provence
 Hydra, Alger
 Algeria
 Telephone (213-21) 60.66.06
 Fax (213-21) 48.32.20

Cameroon

SNC-Lavalin International Inc.
 B.P. 6111
 Yaoundé
 Cameroon
 Telephone (237) 20.01.83
 Fax (237) 21.07.80

Egypt

SNC-Lavalin International Inc.
 Cairo World Trade Center
 Office Tower, 13th Floor
 1191 Corniche El Nil Street
 Cairo
 Egypt
 Telephone (20.2) 577-7962
 Fax (20.2) 577-7967

Ivory Coast

SNC-Lavalin International Inc.
 08 B.P. 29
 Abidjan 08
 Ivory Coast
 Telephone (225.22) 42.14.23
 Fax (225.22) 42.44.44

Kenya

SNC-Lavalin International Inc.
 Museum Hill House, 2nd Floor
 P.O. Box 48340
 Nairobi
 Kenya
 Telephone (2542) 74.50.71
 Fax (2542) 75.03.94

Libya

SNC-Lavalin International Inc.
 Anbasibn Malek Street
 Garyounes Area
 P.O. Box 9404
 Benghazi - S.P.L.A.J.
 Libya
 Telephone (218) 61.22.25.242
 Fax (218) 61.22.25.238

South Africa

SNC-Lavalin South Africa (Pty) Ltd.
 P.O. Box 784593
 Sandton 2146
 South Africa
 Telephone (2711) 881-5682
 Telephone (2711) 881-5611

Tunisia

SNC-Lavalin International Inc.
 4, rue Abdelhamid Ibn Badis
 1002 Tunis
 Tunisia
 Telephone (216-71) 28.54.66
 Fax (216-71) 84.17.00

MIDDLE EAST

Saudi Arabia

Saudi SNC-Lavalin Company Limited
 Juffali Tower, Suite 701
 King Abdul Aziz Street
 P.O. Box 30851
 Al Khobar 31952
 Kingdom of Saudi Arabia
 Telephone (9663) 882-5430
 Fax (9663) 882-5770

Turkey

**SNC-Lavalin Mühendislik
 ve Taahhüt Ltd. Şti.**
 Büklüm Sokak 8/8
 Kavaklıdere, Ankara
 06660 Turkey
 Telephone 90 (312) 418 51 08
 Fax 90 (312) 425 62 13

United Arab Emirates

SNC-Lavalin International Inc.
 National Bank of Abu Dhabi
 Building 12th Floor
 Al Salam Street (between 7th and 9th)
 P.O. Box 52854
 Abu Dhabi
 United Arab Emirates
 Telephone (971 2) 644-5561
 Fax (971 2) 644-5562

ASIA

China

SNC-Lavalin (China) Engineering Inc.
 601 China World Tower
 China World Trade Center
 No. 1, Jianguomenwai Avenue
 Beijing 100004
 P.R. China
 Telephone (8610) 6505-1821
 Fax (8610) 6505-1823

India

SNC-Lavalin Inc.
 R8A Hauz Khas
 New Delhi - 110016
 India
 Telephone (91-11) 686-4051
 Fax (91-11) 685-2580

Indonesia

P.T. SNC-Lavalin-TPS
 Graha Aktiva 4th Floor
 Suite 401
 Jl.H.R. Rasuna Said
 Blok X-1, Kav. 03
 Jakarta 12950
 Indonesia
 Telephone (62.21) 520-3528
 Fax (62.21) 520-3526

Malaysia

SNC-Lavalin (Malaysia) Sdn. Bhd.
SNC-Lavalin International Inc.
 Letter Box 75
 10th Floor, MUI Plaza
 Jalan P. Ramlee
 50250 Kuala Lumpur
 Malaysia
 Telephone (603) 2026-6206
 Fax (603) 2026-7206

Philippines

SNC-Lavalin International Inc.
 28 Sta. Maria Street
 Bo. Kapitolyo
 1603 Pasig City
 Metro Manila
 Philippines
 Telephone (632) 632-1187
 Fax (632) 631-2409
Manila Bay Area Rapid Transit Corp.
 No. 9
 International Trade Center Complex
 Roxas Boulevard
 Pasay City, Manila
 Philippines
 Telephone (632) 832 0871
 Fax (632) 552 9138

Singapore

SNC-Lavalin Asia (S) Pte Ltd.
 8 Shenton Way
 No. 35-02 Temasek Tower
 Singapore 068811
 Telephone (65) 227-4838
 Fax (65) 227-4836

Taiwan

SNC-Lavalin International Inc.
 3F, No. 367 Fu-Hsing N. Road
 Taipei
 Taiwan R.O.C.
 Telephone (886-2) 2545-1663
 Fax (886-2) 2545-1659

Thailand

SNC-Lavalin International Inc.
 10th Floor, Suite 115
 Lake Rajada Office Complex
 193/37 Rachadapisek Road
 Klongtoey Bangkok 10110
 Thailand
 Telephone (662) 264-0330
 Fax (662) 264-0329

Vietnam

SNC-Lavalin International Inc.
 Binh Minh Hotel
 Suite 430
 27 Ly Thai To Street
 Ha Noi
 Vietnam
 Telephone (844) 825-1040
 Fax (844) 825-1040

EURASIA

Kazakhstan

SNC-Lavalin International Inc.
 157 - 28 Abai Street
 7th Floor
 Box 480009
 Almaty
 Kazakhstan
 Telephone (732.72) 41 15 95
 Fax (732.72) 50 94 11

Russia

SNC-Lavalin International Inc.
 World Trade Center
 Krasnopresnenskaia Nab. 12
 Office 608
 Moscow
 Russia 123610
 Telephone (7-095) 258-1186
 Fax (7-095) 258-1181

OCEANIA

Australia

SNC-Lavalin Australia Pty Ltd.
 Level 10, 190 St George's Terrace
 Perth, W.A. 6000
 Australia
 Telephone (61.8) 9321-3702
 Fax (61.8) 9321-4660

TEN-YEAR STATISTICAL SUMMARY

YEARS ENDED DECEMBER 31
(IN MILLIONS OF DOLLARS, EXCEPT PER-SHARE AMOUNTS)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
REVENUES										
SERVICES	583.2	544.9	531.0	537.9	533.8	559.3	405.6	415.6	516.9	622.1
PACKAGES	863.2	523.6	438.8	687.8	619.1	595.9	425.9	376.4	220.8	103.2
CONCESSIONS	880.4	671.9	301.0	281.8	260.0	206.6	197.8	169.9	183.1	202.8
	2,326.8	1,740.4	1,270.8	1,507.5	1,412.9	1,361.8	1,029.3	961.9	920.8	928.1
GROSS MARGIN	373.4	310.8	300.9	281.3	270.4	259.2	205.9	206.4	223.6	207.1
ADMINISTRATIVE, MARKETING AND OTHER EXPENSES (EXCLUDING AMORTIZATION OF GOODWILL)	234.4	202.5	206.1	199.7	199.5	196.3	163.6	152.2	177.2	169.0
INCOME BEFORE INTEREST, TAXES AND AMORTIZATION OF GOODWILL	139.0	108.3	94.8	81.6	70.9	62.9	42.3	54.2	46.4	38.1
INTEREST (REVENUES) AND CAPITAL TAXES	67.8	47.1	25.1	4.0	3.4	(1.1)	(10.0)	1.3	10.1	15.2
INCOME BEFORE INCOME TAXES AND AMORTIZATION OF GOODWILL	71.2	61.2	69.7	77.6	67.5	64.0	52.3	52.9	36.3	22.9
INCOME TAXES	30.2	26.8	25.8	24.6	20.9	20.0	17.7	20.0	13.8	8.2
INCOME BEFORE AMORTIZATION OF GOODWILL	41.0	34.4	43.9	53.0	46.6	44.0	34.6	32.9	22.5	14.7
AMORTIZATION OF GOODWILL (NET OF INCOME TAXES)	14.6	10.5	7.6	7.4	6.4	7.0	3.3	5.6	6.3	5.4
NET INCOME (LOSS)										
EXCLUDING HIGHWAY 407	59.2	53.1	49.5	45.6	40.2	37.0	31.3	27.3	16.2	9.3
FROM HIGHWAY 407	(32.8)	(29.2)	(13.2)	—	—	—	—	—	—	—
	26.4	23.9	36.3	45.6	40.2	37.0	31.3	27.3	16.2	9.3
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION										
EXCLUDING HIGHWAY 407	144.1	120.3	107.2	109.9	99.4	88.7	62.9	77.4	65.4	56.7
FROM HIGHWAY 407	45.4	31.1	18.7	—	—	—	—	—	—	—
	189.5	151.4	125.9	109.9	99.4	88.7	62.9	77.4	65.4	56.7
RETURN ON WEIGHTED AVERAGE SHAREHOLDERS' EQUITY										
EXCLUDING HIGHWAY 407	14.8 %	14.9 %	14.2 %	14.3 %	13.5 %	14.9 %	13.7 %	13.2 %	8.9 %	5.7 %
FROM HIGHWAY 407	(8.2) %	(8.2) %	(3.8) %	—	—	—	—	—	—	—
	6.6 %	6.7 %	10.4 %	14.3 %	13.5 %	14.9 %	13.7 %	13.2 %	8.9 %	5.7 %

TEN-YEAR STATISTICAL SUMMARY

YEARS ENDED DECEMBER 31
(IN MILLIONS OF DOLLARS, EXCEPT PER-SHARE AMOUNTS)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
BASIC EARNINGS PER SHARE										
EXCLUDING HIGHWAY 407	1.24	1.14	1.06	0.98	0.84	0.79	0.67	0.58	0.36	0.21
FROM HIGHWAY 407	(0.69)	(0.63)	(0.28)	—	—	—	—	—	—	—
	0.55	0.51	0.78	0.98	0.84	0.79	0.67	0.58	0.36	0.21
BASIC CASH FLOW PER SHARE										
EXCLUDING HIGHWAY 407	2.34	1.95	1.94	1.45	1.37	1.50	1.23	1.17	1.09	0.86
FROM HIGHWAY 407	0.03	(0.07)	0.08	—	—	—	—	—	—	—
	2.37	1.88	2.02	1.45	1.37	1.50	1.23	1.17	1.09	0.86
WEIGHTED AVERAGE NUMBER OF SHARES - BASIC (IN THOUSANDS)	47,914	46,350	46,628	46,560	48,083	46,711	46,838	46,833	45,081	43,881
DIVIDENDS DECLARED PER SHARE	0.29	0.25	0.24	0.21	0.20	0.17	0.14	0.11	0.07	0.04

AT DECEMBER 31
(IN MILLIONS OF DOLLARS, EXCEPT PER-SHARE AMOUNTS)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
NUMBER OF EMPLOYEES	8,819	8,174	6,643	6,383	6,286	6,226	4,846	4,748	5,376	6,132
BACKLOG	3,497.0	3,974.1	2,759.3	1,941.6	2,191.1	2,447.6	2,226.9	2,243.1	1,764.0	1,544.8
SHAREHOLDERS' EQUITY	443.0	358.2	357.9	317.8	318.3	237.7	231.8	220.8	195.4	171.0
BOOK VALUE PER SHARE	8.89	7.80	7.63	7.08	6.63	5.32	5.07	4.69	4.18	3.89
CASH AND CASH EQUIVALENTS, SHORT-TERM INVESTMENTS	323.2	255.8	110.3	217.6	146.5	146.0	282.5	215.2	133.0	47.0
NUMBER OF OUTSTANDING COMMON SHARES (IN THOUSANDS)	49,813	45,924	46,883	44,871	47,999	44,661	45,714	47,031	46,720	44,011
CLOSING MARKET PRICE PER SHARE (NOTE)	28.90	13.95	10.95	11.55	11.00	13.85	8.83	7.58	6.25	3.50

Note: Based on closing market prices listed on the Toronto Stock Exchange

QUARTERLY DATA

(IN THOUSANDS OF DOLLARS, EXCEPT PER-SHARE AMOUNTS)

	2001				
	1st	2nd	3rd	4th	Total
REVENUES	564,876	532,005	575,237	654,712	2,326,830
NET INCOME (LOSS)					
EXCLUDING HIGHWAY 407	12,669	16,995	15,796	13,734	59,194
FROM HIGHWAY 407	(6,679)	(6,297)	(8,911)	(10,861)	(32,748)
	5,990	10,698	6,885	2,873	26,446
BASIC EARNINGS PER SHARE					
EXCLUDING HIGHWAY 407	0.28	0.36	0.32	0.28	1.24
FROM HIGHWAY 407	(0.15)	(0.13)	(0.18)	(0.23)	(0.69)
	0.13	0.23	0.14	0.05	0.55
BASIC CASH FLOW PER SHARE					
EXCLUDING HIGHWAY 407	0.63	0.61	0.50	0.60	2.34
FROM HIGHWAY 407	(0.02)	0.01	(0.01)	0.05	0.03
	0.61	0.62	0.49	0.65	2.37
DIVIDEND DECLARED PER SHARE	0.07	0.07	0.07	0.08	0.29
	2000				
	1st	2nd	3rd	4th	Total
REVENUES	333,496	434,554	461,968	510,388	1,740,406
NET INCOME (LOSS)					
EXCLUDING HIGHWAY 407	11,497	15,530	13,630	12,411	53,068
FROM HIGHWAY 407	(9,008)	(7,787)	(4,462)	(7,946)	(29,203)
	2,489	7,743	9,168	4,465	23,865
BASIC EARNINGS PER SHARE					
EXCLUDING HIGHWAY 407	0.25	0.33	0.30	0.26	1.14
FROM HIGHWAY 407	(0.20)	(0.16)	(0.10)	(0.17)	(0.63)
	0.05	0.17	0.20	0.09	0.51
BASIC CASH FLOW PER SHARE					
EXCLUDING HIGHWAY 407	0.38	0.54	0.52	0.51	1.95
FROM HIGHWAY 407	—	(0.10)	0.07	(0.04)	(0.07)
	0.38	0.44	0.59	0.47	1.88
DIVIDEND DECLARED PER SHARE	0.06	0.06	0.06	0.07	0.25

BOARD OF DIRECTORS

Jacqueline L. Boutet, C.M. ^{(1) (3)} President Jacqueline L. Boutet Inc. Montreal, Quebec Canada	Christopher Hampson, C.B.E. ⁽¹⁾ Chairman of the Board RMC Group p.l.c. London England	Edythe A. Parkinson-Marcoux ⁽¹⁾ Company Director Canmore, Alberta Canada	Lawrence N. Stevenson ⁽²⁾ Company Director Paris France
Angus A. Bruneau, O.C., Ph.D. ⁽²⁾ Chairman of the Board Fortis Inc. St. John's, Newfoundland Canada	Jacques Lamarre ⁽³⁾ President and Chief Executive Officer SNC-Lavalin Group Inc. Montreal, Quebec Canada	Guy Saint-Pierre, O.C. ^{(2) (3)} Chairman of the Board SNC-Lavalin Group Inc. Montreal, Quebec Canada	Neil Webber, Ph.D. ⁽¹⁾ President and Chairman Webber Academy Calgary, Alberta Canada
John E. Cleghorn, O.C., F.C.A. ⁽²⁾ Retired Chairman and Chief Executive Officer Royal Bank of Canada Toronto, Ontario Canada	Allan F. Leach ⁽¹⁾ President Allan Leach Consultants Inc. Toronto, Ontario Canada	Hugh D. Segal ⁽¹⁾ President Institute for Research on Public Policy Montreal, Quebec Canada	
Jacques A. Drouin ⁽²⁾ Managing Director Canada Country Head Lazard Brothers & Co., Limited London England	Pierre H. Lessard ⁽²⁾ President and Chief Executive Officer Métro Inc. Montreal, Quebec Canada		⁽¹⁾ Member of the Audit Committee ⁽²⁾ Member of the Corporate Governance and Human Resources Committee ⁽³⁾ Member of the Bid and Investment Approval Committee

BOARD OF DIRECTORS' COMMITTEES

The Board of Directors has three committees composed entirely of outside and unrelated directors, with the exceptions of Guy Saint-Pierre, Jacques Lamarre and Allan F. Leach.

AUDIT COMMITTEE

This committee is responsible for reviewing the Company's financial reporting procedures and internal controls. As part of its role, the Committee reviews annual financial statements prior to their approval by the Board, and monitors the effectiveness of the Company's internal control procedures and information systems.

CORPORATE GOVERNANCE AND HUMAN RESOURCES COMMITTEE

This committee monitors the Company's corporate governance practices and makes related recommendations to the Board, including the recommendation of candidates for the Board of Directors. It also reviews and monitors human resources policies and management development programs, and reviews and approves compensation policies and succession plans for senior officers.

BID AND INVESTMENT APPROVAL COMMITTEE

This committee is authorized to approve each bid that exceeds \$100 million for submission by the Company, once the bid has been approved by the Company's internal Risk Evaluation Committee. It has the authority to approve any investment in, or divestiture of, any entity up to an amount of \$10 million.

For a full description of the Company's corporate governance practices and the responsibilities of the Board committees, please refer to the Management Proxy Circular which is available from the Corporate Secretary, or on our Web site shown below.

CORPORATE POLICIES

SNC-Lavalin has adopted comprehensive policies regarding quality, the environment, and occupational health and safety. These policies are available on our Web site at www.snc-lavalin.com.

INVESTOR AND SHAREHOLDER INFORMATION

SHARE INFORMATION

Listed: Toronto Stock Exchange

Symbol: SNC

December 31, 2001: Closing Price: CAN \$28.90

Book Value per Share: \$8.89

Shares Outstanding: 49,813,425

Market Capitalization: CAN \$1,440 million

Dividends declared for 2001: \$ 0.29/share

COMMON SHARE TRADING ACTIVITY 2001

	SHARE VOLUME	HIGH	LOW
FOURTH QUARTER	5,963,000	\$ 28.90	\$ 22.40
THIRD QUARTER	6,772,000	\$ 25.75	\$ 18.10
SECOND QUARTER	12,582,000	\$ 22.25	\$ 16.74
FIRST QUARTER	7,019,000	\$ 17.34	\$ 13.25

COMMON SHARE TRADING ACTIVITY 2000

FOURTH QUARTER	2,957,000	\$ 14.80	\$ 13.00
THIRD QUARTER	4,799,000	\$ 13.55	\$ 10.20
SECOND QUARTER	3,258,000	\$ 14.50	\$ 11.70
FIRST QUARTER	6,045,000	\$ 13.70	\$ 10.15

IMPORTANT DATES FOR 2002

	QUARTERLY REPORTS	DIVIDEND RECORD	DIVIDEND PAYMENT
FOURTH QUARTER 2001	Mar 1	Mar 15	Mar 29
FIRST QUARTER 2002	May 9	May 23	Jun 6
SECOND QUARTER 2002	Aug 2	Aug 16	Aug 30
THIRD QUARTER 2002	Nov 7	Nov 21	Dec 5

Note: Dividends are subject to approval by the Board of Directors. In exceptional circumstances, these dates may change without prior notice.

ANNUAL MEETING

The Annual Shareholders' Meeting will be held on Thursday May 9, 2002 at 11:00 am in the amphitheatre of Les Salles du Gesù, 1200 de Bleury Street in Montreal.

REGISTRAR AND TRANSFER AGENT

For information on matters such as share transfers, dividend cheques and changes of address, inquiries should be directed to: Computershare Trust Company of Canada c/o Micheline Talarico E-mail: micheline.talarico@computershare.com Tel: (514) 982-7180

HEAD OFFICE

SNC-Lavalin Group Inc.
455 René-Lévesque Blvd. West
Montreal, Quebec
Canada H2Z 1Z3
(514) 393-1000
Website: www.snc-lavalin.com

ADDITIONAL COPIES

To receive additional copies of this report in English or French, or to be placed on our corporate mailing list, please contact:
(514) 393-1000 ext. 2121

EXEMPLAIRES FRANÇAIS

Pour recevoir ce rapport en français, s'adresser au: Service des Relations publiques
Groupe SNC-Lavalin inc.
455, boul. René-Lévesque ouest
Montréal (Québec)
Canada H2Z 1Z3
(514) 393-1000 ext. 2121

AUDITORS

Ernst & Young LLP

INVESTOR RELATIONS

Stéphane Roy
Director, Investor Relations
stephane.roy@snclavalin.com
(514) 393-1000

SNC-Lavalin Group Inc. or one of its affiliates ("SNC-Lavalin") contributed to each project listed on the front and back covers of this Annual Report. In some cases, SNC-Lavalin's involvement was as a member of a consortium, partnership, joint venture or other such relationship. SNC-Lavalin does not claim an exclusive role in any of the projects listed.

FOR A BETTER WORLD

Concern for the environment and communities in which we operate,
and a commitment to the safety and well-being of our people are key corporate values.

YTTRIUM RECOVERY PLANT, CANADA . BALAMBANO DAM AND POWER STATION, INDONESIA . ALUMINA ESPAÑOLA ALUMINA PLANT, SPAIN . TOWN OF NEW TECUMSETH WATER TRANSMISSION LINE, CANADA . MONTREAL METROPOLITAIN EXPRESSWAY, CANADA . OCP TERMINAL AND PUMPING STATIONS, ECUADOR . QATAR ETHYLENE/POLYETHYLENE PLANT AND UTILITIES, QATAR . JOHNSON & JOHNSON PLANT EXPANSION, CANADA . MARINE INDUSTRIES SHIPYARDS, CANADA . QASSIM PRODUCT PIPELINE, SAUDI ARABIA . PRINCE EDWARD VIADUCT REHABILITATION, TORONTO, CANADA . WASTEWATER TREATMENT PLANT, TUNISIA . EUROTUNNEL FIRE DETECTION AND SUPPRESSION SYSTEMS, FRANCE AND UK . POWER DISTRIBUTION SYSTEM REHABILITATION AND EXPANSION, VIETNAM . IMPERIAL OIL SARNIA REFINERY UPGRADE PROJECT, CANADA . DON VALLEY PARKWAY-HIGH MAST DESIGN, CANADA . IMPERIAL OIL ENERGY CONSERVATION PROJECTS, CANADA . YACAMBU-QUIBOR WATER DIVERSION TUNNEL, VENEZUELA . DUNDAS STREET WEST OVERPASS, TORONTO, CANADA . LLOYDMINSTER UPGRADE PLANT, CANADA . SELVA ALEGRE CEMENT PLANT, ECUADOR . ST. JOHN'S AIRPORT TERMINAL BUILDING UPGRADE, CANADA . DES BAILLETS FILTRATION PLANT, MONTREAL, CANADA . QASEEM REGIONAL ELECTRIFICATION PROJECT, SAUDI ARABIA . AUTOROUTE 30 EXTENSION IMPACT STUDY, CANADA . SUNGAI PIAH POWER STATION, MALAYSIA . BULYANHULU GOLD PROCESSING FACILITY, TANZANIA . GOLD FIELDS OF SOUTH AFRICA ZINC PLANT, SOUTH AFRICA . BARRICK GOLDSTRIKE MINES PROJECT, USA . HUMBER WATER TREATMENT PLANT, TORONTO, CANADA . EL DILUVIO PROJECT, VENEZUELA . ABU DHABI CHILLED WATER PLANTS, UNITED ARAB EMIRATES . CODELCO ANDINA COPPER CONCENTRATOR, CHILE . QEW TRAFFIC MANAGEMENT SYSTEM REHABILITATION AND EXPANSION, CANADA . STAGECOACH GAS STORAGE AND COMPRESSION, USA . VATRY EUROPORT FREIGHT PLATFORM, FRANCE . PETRO-CANADA FLUID CATALYTIC CRACKER PLANT, CANADA . AGRIMUM PHOSPHATE PROJECT, CANADA . VOISEY'S BAY NICKEL PROJECT, CANADA . B.C. SOUTHERN CROSSING PIPELINE PROJECT, CANADA . BOWATER TRADING TISSUE MILL, AUSTRALIA . KORLE LAGOON ECOLOGICAL RESTORATION, GHANA . GORO NICKEL PILOT PLANT, NEW CALEDONIA . ANGLO AMERICAN URANIUM PLANT, SOUTH AFRICA . CANADIAN NATURAL RESOURCES SAGD PROJECT, CANADA . RURAL AND VILLAGE WATER SUPPLY PROGRAM, MALI . BARRICK GOLD MERCURY REMOVAL PLANT, USA . ESSO RESOURCES NORMAN WELLS FACILITIES, CANADA . UNIVERSITY OF QUEBEC AT MONTREAL CAMPUS EXPANSION, CANADA . FAUCIGNY MEAT COMPLEX, FRANCE . CAMALOTE RURAL DEVELOPMENT PROJECT, CUBA . CHIFFA RIVER WATER TUNNEL, ALGERIA . WESTERN KENYA PIPELINE, KENYA . LAFARGE CEMENT PLANT, CANADA . BEAUHARNOIS POWERHOUSE REHABILITATION, CANADA . KIDD CREEK MINES PLANT EXPANSION, CANADA . GENERAL MOTORS BOISBRIAND PLANT, CANADA . KREDIETBANK HEADQUARTERS, BELGIUM . ONTARIO REALTY CORPORATION FACILITIES MANAGEMENT, CANADA . DODOMA-MWANZA 220-KV TRANSMISSION PROJECT, TANZANIA . SHELL FORCADOES TERMINAL PROJECT, NIGERIA . SONATRACH RHOURDE NOUSS GAS PROCESSING COMPLEX, ALGERIA . UNIVERSITY OF MONTREAL MATH AND COMPUTERS SCIENCES BUILDING, CANADA . SAVERGLASS LUXURY BOTTLE PRODUCTION AND PACKAGING FACILITY, FRANCE . SONACOME FOUNDRY, ALGERIA . STANOR FRUIT STORAGE STATION, FRANCE . STEELES AVENUE EXTENSION, TORONTO, CANADA . QUEBEC MAJOR HIGHWAYS PROJECTS, CANADA . GLAXO WELLCOME RESEARCH AND DEVELOPMENT AND MANUFACTURING FACILITY, CANADA . CLAIRVILLE DAM AND RESERVOIR, TORONTO, CANADA . ALBA ALUMINUM SMELTER EXPANSION, SAUDI ARABIA . HIMONT POLYPROPYLENE PLANT, CANADA . BONAVENTURE EXPRESSWAY, CANADA . MAQUI MAQUI GOLD PROJECT, PERU . TEXACO FLUID CATALYTIC CRACKER, CANADA . USSR GRANDE COULEE DAM ENERGY CONTROL SYSTEM, USA . CAROL LAKE IRON ORE PROJECT, CANADA . US NAVY FIRE DETECTION AND SUPPRESSION SYSTEMS, USA . DRAINAGE INFRASTRUCTURES, PORT-AU-PRINCE, HAITI . ALCAN AUGHINISH ALUMINA PLANT, IRELAND . YOZGAT AGRIFOOD COMPLEX, TURKEY . WARRI PORT, NIGERIA . PAITON THERMAL POWER STATION, INDONESIA . WELCA AMYLMUM SWEETENERS PLANT, FRANCE . TEXASGULF CANADA METALLURGICAL GAS PLANT, CANADA . FARO LEAD/ZINC MINE EXPANSION AND REHABILITATION, CANADA . A.L. VAN HOUTTE COFFEE PRODUCTION FACILITY RELOCATION, CANADA . MONTREAL MOLSON CENTRE, CANADA . OERLIKON AEROSPACE PLANT AND LABORATORY EXPANSION, CANADA . TQM PIPELINE, CANADA . HENKEL HYGIENE PRODUCTS PRODUCTION UNIT, FRANCE . TORONTO GO TRANSIT UNION STATION PLATFORM IMPROVEMENT, CANADA . SAINT-GOBAIN DESJONQUERES PERFUME BOTTLE MANUFACTURING FACILITY, FRANCE . SHEDGUM GAS PLANT, SAUDI ARABIA . PETRESA LINEAR ALKYL BENZENE PLANT, CANADA . BAYER PETROCHEMICAL/BUTYL RUBBER PROJECTS, CANADA . JARRY TENNIS STADIUM, MONTREAL, CANADA . PONT LEON BRIDGE RECONSTRUCTION, HAITI . SEERAT EXXON REFINERY AND PIPELINE PROJECT, CHAD . INTERCONNECTION NIGER-NIGERIA TRANSMISSION PROJECT, NIGERIA . GAZMONT METHANE GAS FACILITY, CANADA . KRABI THERMAL POWER PLANT, THAILAND . DÉCARIE EXPRESSWAY OVERPASS RECONSTRUCTION, CANADA



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CARTIERE SCOTT TISSUE MILL, ITALY . LA CAISSE D'ÉPARGNE HEADQUARTERS, REIMS, FRANCE . KIMBERLY CLARK TISSUE MACHINE NO. 18 REBUILD, USA . SAN LUIS POTOSI WASTEWATER TREATMENT PLANTS, MEXICO . ARAMCO REFINERY MODERNIZATION PROJECTS, SAUDI ARABIA . EL HAOUAREB IRRIGATIONAL AND FLOOD CONTROL PROJECT, TUNISIA . BRUSSELS METRO, BELGIUM . OPG (ONTARIO HYDRO) FOSSIL PLANTS UPGRADE, CANADA . CANADIAN BROADCASTING CORPORATION (CBC) FACILITIES MANAGEMENT, CANADA . SUNCOR WATER TREATMENT PLANT, CANADA . MULTI-MARQUES MODERN BAKERY, CANADA . CLUFF LAKE URANIUM LEACH PLANT, CANADA . ROYAL NAVY FIRE DETECTION AND SUPPRESSION SYSTEMS, UK . MONTREAL OLYMPIC STADIUM, CANADA . PHILIPPINES FERTIZER COMPLEX, PHILIPPINES . VOLKSWAGEN FRANCE MAIN PRODUCTION UNIT, FRANCE . BAGRÉ IRRIGATION DEVELOPMENT PROJECT, BURKINA FASO . PEEL INCINERATOR, CANADA . WOLSONG NUCLEAR POWER PLANTS, SOUTH KOREA . EXPO 67 SITE, CANADA . MEFTAH CEMENT WORKS, ALGERIA . PETRO-CANADA EDMONTON REFINERY CONVERSION, CANADA . BOUGRINE ZINC-LEAD PROJECT, TUNISIA . MONTREAL DÉCARIE EXPRESSWAY, CANADA . ST. CATHERINES GARDEN CITY SKYWAY, CANADA . TERRA (CIL) AMMONIA PLANT, CANADA . SARNIA SEWAGE TREATMENT PLANT, CANADA . JOLIETTE METRO STATION, MONTREAL, CANADA . EL COYOLAR DAM REHABILITATION, HONDURAS . INTERCONNECTION HONDURAS-EL SALVADOR, HONDURAS . NAM NGUM 3 HYDROELECTRIC PROJECT, LAOS . PHOSPHOGYPSUM ENVIRONMENTAL IMPACT STUDY, TUNISIA . HAWAIIAN ELECTRIC COMPANY ENERGY CONTROL SYSTEM, USA . FREDERICTON PRINCESS MARGARET BRIDGE, CANADA . DANISH NAVY FIRE DETECTION AND SUPPRESSION SYSTEMS, DENMARK . OTTAWA SEWAGE TREATMENT PLANT, CANADA . PPG CANADA MEMBRANE CELLS CHLOR-ALKALI PLANT, CANADA . BCRTC TROLLEY OVERHEAD EXTENSION AND REHABILITATION, CANADA . ABLIS DELICATESSEN MEAT UNIT, FRANCE . AIR NAVIGATION AND AID STATIONS UPGRADE, LIBYA . ST. LAWRENCE SEAWAY, CANADA . FALCONBRIDGE NIKKELVERK METALLURGICAL GAS PLANT, NORWAY . TEXADA MINES POTASH PLANT, AUSTRALIA . LOUIS-HIPPOLYTE-LAFONTAINE TUNNEL, MONTREAL, CANADA . BEST FOODS PRODUCTION FACILITY MODERNIZATION, CANADA . MERCK FROSST BIOMEDICAL RESEARCH FACILITY, CANADA . SYNCRUDE DEBOTTLENECK PROJECTS, CANADA . IBIDAN WASTES DISPOSAL AND DRAINAGE MASTER PLAN, NIGERIA . GEORGE MASSEY TUNNEL, VANCOUVER, CANADA . BURLINGTON BAY SKYWAY, CANADA . THREE GORGES WATER CONTROL PROJECT, CHINA . CHICOUTIMI BRIDGE, CANADA . DUPUIS FRÈRES DEPARTMENT STORE, CANADA . ULTRAMANIYAH GAS PLANT, SAUDI ARABIA . JIUJIANG PO/PG/PGP CHEMICAL PLANT, CHINA . CANADIAN INTERNATIONAL PAPER, CANADA . ABI BECANCOUR ALUMINUM SMELTER, CANADA . VALLEYFIELD CATHEDRAL, CANADA . ZIA FERTILIZER PLANT, BANGLADESH . BRAMPTON PUMPING STATIONS AND COLLECTION SEWER, CANADA . TURKMENBASHI REFINERY MODERNIZATION, TURKMENISTAN . PROCTER & GAMBLE TERTIARY AMINE CAPACITY INCREASE PROJECT, USA . QUEBEC CITY CONVENTION CENTRE, CANADA . ESSO CANADA HIGHER OLEFINS PROJECT, CANADA . BRUNEI CEMENT CLINKER PLANT, BRUNEI . ATOFINA (CHEMPROX) HYDROGEN PEROXIDE PLANT, CANADA . SYRIA PETROLEUM GAS TREATMENT PROJECT, SYRIA . ABITIBI CONSOLIDATED JONQUIÈRE HYDROELECTRIC FACILITY, CANADA . AMSU S.A. FRONVILLE FACTORY, FRANCE . QUEBEC CITY STORM SEWERS, CANADA . PCB TREATMENT AND DISPOSAL, CANADA . REYNOLDS BAIE COMEAU ALUMINUM SMELTER EXPANSION, CANADA . NATREL ICE CREAM PLANT EXPANSION, CANADA . HAIL-QASEEM INTERCONNECTION TRANSMISSION PROJECT, SAUDI ARABIA . CHROMIUM MINING AND SMELTING INSTALLATION, CANADA . JANSSEN PHARMACEUTICAL PLANT, BELGIUM . FOMI PROJECT FEASIBILITY STUDY, GUINEA . CORRIDOR PIPELINE, CANADA . SUNOIL HYDROCRACKER COMPLEX, CANADA . ROBERVAL PUBLIC WORKS, CANADA . UNION CARBIDE PETROCHEMICAL COMPLEX UPGRADE, CANADA . SUNOCO REFINERY PROJECTS, USA . BULONG NICKEL PROJECT, AUSTRALIA . RICHES MONTS CHEESE PLANT, FRANCE . INDIAN OCEAN FERTILIZER COMPLEX, SOUTH AFRICA . SAINTE-MARGUERITE DAM AND POWER STATION, CANADA